

(Sixth Day)

PUBLIC HEARING

before

N.J.
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Held: April 1, 1959
Senate Chamber
State House
Trenton, New Jersey

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MEMBERS OF COMMITTEE PRESENT:

SENATOR WALTER H. JONES (Chairman)

ALSO:

NELSON G. GROSS, ESQ.,

Counsel to the Committee

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APPEARANCES:

Alfred W. Kiefer, Esq.
Hackensack - Counsel for Chester,
Pompeo and Tony Iommetti

Robert McAlevy, Jr., Esq.
Hoboken - Counsel for the City of Hoboken

Robert Flaherty, Esq.
East Orange - Counsel for the Globe
Indemnity Company

* * * *

SENATOR WALTER H. JONES (THE CHAIRMAN: We are now ready to proceed with the hearing.

Chester Iommetti has taken the witness stand. He has already been sworn. I have been advised informally by his counsel, Mr. Kiefer, that he desires to make a preliminary statement. If the statement has relevancy and materiality to anything he testified to on Monday last, the Committee is willing to entertain the statement - if it's within reasonable bounds.

MR. ALFRED W. KIEFER: I have discussed the matter with my client, Mr. Jones, and I have advised him that it is both relevant and material, and I have advised him, since he has stated to me that because of the length of the hearing on Monday that he was quite tired toward the end of the hearing and that he may not have understood certain questions accurately and he may not have answered properly, and he would like to clarify those questions and answers at this time.

SENATOR JONES: We will listen to the witness. Do you have a statement to make?

C H E S T E R I O M M E T T I, having been previously sworn, testified as follows:

I believe you asked me the license plate number and at the time I believe I told you that I didn't recall this here number, and now I know whose number it is. The license plate number of that car happens to be my brother Pompeo's license number.

BY SENATOR JONES: Is that your statement? A No, there's more.

Q Go ahead. A And you asked me if I ever met, I believe it was Vincent Ippolito - or one of the Ippolitos -

statements you wanted to make. Now if that's your last and final statement, we are going to proceed with the hearing, but I want to be completely fair to you and try to give you an opportunity, with the aid of your counsel, and I don't want you to feel cut off. Now if you've got anything more to say, say it. If not, we'll proceed. A Well, there were quite a few questions and I was on the stand quite a while. Yesterday I was trying to think of everything you asked me and I'm trying to clarify some of the things that I said I didn't remember that I remember now.

Q And you've done that by this statement. Is that right?

A I believe so.

Q O.K. So we can now proceed and the record, so far as you're concerned, stands corrected to the extent of your statement, and we can now proceed on the theory that all your other answers stand. That's right? A I assume so.

Q O.K. Now I want to take up with you one or two other subject matters: This Hoboken contract from '36 to '39 was turned over by you to Rotonda Bros., who completely discharged the obligations of that contract for a price that you paid. In what other towns did you do the same thing as you did there?

A Pardon me, Senator. I think you said '36 to '39.

Q I meant '56 to '59. Now, in what other towns did you do the same thing? A I want to clarify that we did not turn over this whole job, the Hoboken job, that is.

Q You didn't turn it over? A No, sir.

Q What are you saying you did? A May I read this? (Referring to paper.)

Q No, we want you to testify, not to read.

A (Reading) "There has never been any assignment--"

Q No, no. We want you to testify. Never mind reading anything. If that will help you testify, that's all right, but I don't want any prepared statements here. I am asking you a question. All I want to know is, where did you turn over a job other than Hoboken to any other contractor after the bid was awarded to you? A Can I first clarify this Hoboken- I'd like to clarify that first.

Q Well, now, you've testified as to Hoboken, haven't you? And you just said a few minutes ago that you were standing on your statement as made except as clarified. A I never said that we sub-let or assigned anything. That was your statement; you kept saying that. I said, no.

Q You said no, huh? A If I remember correctly. I don't ever remember saying we did assign or sub-let.

Q Well, now, I don't want to get into Hoboken for the time being. The record stands on that. I want to get to what other towns you let out work to that was given to you by bid.

A Are you withdrawing your statement as to Hoboken?

Q I'm not withdrawing anything. I'm asking you what towns did you turn over jobs to other contractors after they had been let to you by bid by a municipality. That's simple.

A We never turned over any job completely to anyone, including Hoboken.

Q You never did. A That I can remember.

Q That you can remember - you add that to the statement as well. Is that right? A Yes, there is one.

Q Now you remember one? A Yes, sir.

Q All right. Which one is it? A Union.

Q Union what? A Union, New Jersey. Township of Union.

Q There is one - Township of Union in New Jersey. You bid that job? Iommetti & Sons, the partnership or the corporation? A Partnership.

Q And when was the contract let to? A I think it was January 1, 1955.

Q For how long? A I think it was a two-year contract.

Q Two-year contract. How much did you get the bid for, for the two years in question? A I don't recall exactly the amount.

Q Well, how much can you recall? If not exactly, approximately. A Approximately about \$218,000.

Q \$218,000 a year? A No, two years.

Q Two years. Approximately \$109,000 a year, is that right? A Yes.

Q And whom did you turn the contract over to? A Peter Roselle & Sons.

Q Who was Peter Roselle & Sons? A That's an East Orange contractor.

Q And is that the outfit that Cush is the President of, or the leading spirit? A Well, he's affiliated with it. I don't know if he's President or not.

Q So that Peter Roselle & Sons and Cush Roselle represent a company and person that had joint objectives; is that right? A Will you repeat that, sir?

Q I'll withdraw it. Now, did you have any conversations with Cush Roselle in connection with that job?

A Which job?

Q The Union job. A I don't recall any.

Q You don't recall any conversations with Cush Roselle at all? A I might have spoken to him. I speak to him all the time.

Q Did you talk to him about the job before bidding?

A Before bidding this contract?

Q Yes. A No, I didn't talk to him.

Q You didn't. Did Pompeo or Tony, as far as you know?

A As far as I know, I doubt it.

Q You doubt it. Now, did you talk to Cush Roselle after the job was let? A I assume I did.

Q What? A I might have. I assume I did.

Q Did you talk to him about doing the job? A I don't recall.

Q You don't recall. What about Pompeo and Tony?

A I wouldn't know.

Q You don't know. A I don't know. I don't know if they did or they didn't.

Q What did you pay Roselle for doing the Union job for you? A I don't know the exact amount.

Q Do you have your books here in connection with that job? A Yes, sir.

Q O.K. Counsel can submit them at recess time and we'll check the amounts. Now, when you say you turned that over, how did you turn that over? In an agreement with Roselle, with Cush? A It was an assignment with the consent of the municipality.

Q And that was in nineteen fifty what? A I think

that was 1956.

Q So you then were acquainted with the procedure and the contract documents which called for consent of the municipality in cases of assignment and sub-letting, is that right? A I don't know if it ever was-- Say that again. Will you repeat that question?

Q Well, in 1956 you were acquainted with the procedure in connection with assignment of contract and the requirement for the consent of the municipality, weren't you? A I don't know.

Q You don't know? A I don't know.

Q But you are sure that this is the only time you ever turned over a contract to someone else that bid the contract against you? A As far as I can recall.

Q As far as you can recall. Now, did you have any relationship to the Union job after you assigned it? Were you responsible under the contract terms? A I don't know.

Q You don't know. Do you have a copy of that contract with you here today? A I don't think so.

Q Well, I'm going to ask you to produce it. Will you see to it that as this hearing proceeds you produce that contract document? A Yes, sir.

MR. KIEFER: Which is that? Is that the original contract?

SENATOR JONES: Right. The original contract between Roselle & Sons and Iometti.

Q While we are talking about things that I want you to produce, and I assume by asking you to produce these things, it will make it unnecessary for me to serve you with

a subpoena. If it won't, then I'll serve you. Now, I want the corporate papers and the partnership papers for Iometti & Sons. I want the corporate minutes for the corporation; I want the corporate minutes and the corporation papers of Sanitation Equipment, Inc.

MR. KIEFER: May I advise the witness that the corporate papers and minutes of M. Iometti & Sons, Inc. are here today. You requested them Monday. I assume also, sir, that Sanitation Equipment Corp. is not a garbage contractor or a dump contractor, sir.

MR. JONES: It is not? Well, we'll decide that later.

Q Now, in the Union bid which you got for two years for \$218,000, you thereafter assigned it to Peter Roselle & Sons who had bid against you in the amount of \$251,000. Is that not correct? A I don't remember.

Q Do you remember whether you paid Peter Roselle & Sons more than \$109,000 a year or less than \$109,000 a year?

A I believe we paid him more.

Q More than \$109,000 a year? A Yes, sir.

Q And you have books here and records which will substantiate that, as well as cancelled checks? A I don't know about cancelled checks, but-

Q Well, you paid by check, didn't you? A I don't remember if we paid him. I think the city paid him. I don't remember now.

Q Well, if the city paid him, would the city pay more than its contract bid with you? A No, sir.

Q Well then, how can you say he was paid more?

A (No response. Witness consults with his counsel).

SENATOR JONES: Now, Mr. Kiefer, I am thoroughly appreciative of the necessity for advice and counsel to clients and the like, and I want to be reasonable in your capacity to advise anybody who comes on the stand who says that you're his counsel, but we can't have at each question a long conference between you and Pompeo and you and Chester and try to get anywhere in connection with this hearing. Now, within reasonable degree, I would like you to keep your conferences up with Chester, I would like you to make them brief, and I would also ask, as I have noticed you have already done, for Pompeo to take another position of vantage in this room, because he's going to be seated in that chair soon enough.

MR. KIEFER: I am well aware of that, sir, and I have instructed this witness, however, that if he doesn't know of his own knowledge, he should merely state, "I don't know."

SENATOR JONES: That's perfectly proper. I don't object to your giving him advice.

MR. KIEFER: I don't want this witness stating things that he thinks may be if he doesn't know.

SENATOR JONES: Fair enough. But let's do it with some crispness.

MR. KIEFER: That's right. And yet this information is available to different members of the partnership from their books, and the books

are here.

Q Do you know the answer to the question? A Repeat the question.

Q The question is: Did you pay any additional moneys upon the assignment of your contract to Roselle & Sons? Did you pay any additional moneys to them for taking over the contract? A I don't know but I assume we did.

Q You don't know but you assume that you paid him moneys in addition to what the town paid him? A I think so.

BY MR. GROSS:

Q Mr. Iommetti, you say there have been no other sub-contracts or assignments other than those you have mentioned already? A I can't think of any.

Q Did you or have you bid at any time in Roselle Park? A Yes, sir.

Q When was the last time that your firm bid in Roselle Park? A I think that's 1955 again.

Q 1955? A I'm not sure of the date but I think that's right.

Q Were you the successful bidder at that time? A We were successful, if I remember correctly, for one year.

Q For one year. Did you or did your firm perform the contract at that time? A Well, we had all the responsibilities.

Q I asked whether your firm actually performed the contract at that time, during that year for which you were awarded the bid. A Well, we were still responsible for the job.

Q Mr. Iommetti, will you answer the question: Did

your firm perform the work on that job? A As far as I know, the Acme Disposal was picking up the garbage for us.

Q Acme Disposal? What is Acme Disposal? A I guess that's another garbage outfit.

Q So, in other words, this is another sub-contractor that you failed to remember before? A I don't know how you-- it's not a sub-contractor.

Q Did Acme Disposal also bid on the same job?
A I don't remember.

Q You don't remember that? A No.

Q Well, what was the arrangement you had with Acme Disposal? A I don't remember.

Q You don't remember what the arrangement was? Do you have your books on the Roselle Park job in which the work was performed by Acme Disposal? A I don't know.

Q Well, would you endeavor to get that information during the recess? A Yes, sir.

Q Do you know how much you paid Acme Disposal to do the job which you were awarded? A I don't know.

Q You don't know? A No, sir.

Q Does Pompeo know that information? A I don't know; I assume he does.

Q Now, were there any other jobs which you were awarded which you failed to perform; that is, your firm failed to perform? A I'd like to clarify something. Iommetti & Sons never failed to perform any contract.

Q Is there any other job in which the work was not actually done by the Iommetti firm?

SENATOR JONES: All right. We will

have a recess for five minutes. Don't leave the room. I have a long-distance call.

(R E C E S S)

BY MR. GROSS:

Q Mr. Iommetti, the question I think is still pending: There were no other jobs now in which the work was actually done by some other contractor, although you may still have remained responsible? A I can't think of any.

Q No others? You'll have to say yes or no for the record. A I can't think of any.

Q Now, on that Roselle Park job, did your firm at any time agree to give half of that job to the lowest bidder?

A Well, we were the lowest bidder. That's how we received the job.

Q In any other year, did you work out an arrangement to give half the job to the lowest bidder? A Not that I know of.

Q Not that you know of? A I can't think of anything like that on those lines.

Q Well, can't you be more definite than that?

A I don't know.

Q You don't know whether you ever worked out an arrangement where you were not the successful bidder to give half the job to the low bidder? You don't know that?

A If I'm not successful, how can I give a job away?

Q Do you know of your own knowledge whether there was ever any arrangement in any year to give that job to any particular bidder, and that you were to get five per cent of the job? A I don't know.

Q You don't know whether in any given year your firm did not have an arrangement to take 5 per cent of the job, though someone else would get the low bid or put in the low bid; you can't say yes or no to that? A No.

Q The answer is no? A I can't recall any such a thing.

Q Did you ever tell anybody that there was such an arrangement wherein you were to get five per cent of the job, though someone else was the low bidder? Did you ever say that?

A No, sir.

BY SENATOR JONES:

Q Did Pompeo ever say it in your presence? A I never heard anything like that said.

Q Did Tony ever say it to anybody in your presence? A I never heard him say anything like that.

Q Now, did you ever say, did Pompeo ever say, or did Tony ever say to anyone in your presence that there are 5 inspectors in Hoboken, it cost one guy \$100,000 to come out of that job? Did you ever say that? Yes or no. A I don't ever recall saying that.

Q Did Pompeo ever say it in your presence to anyone? A I don't recall him saying it.

Q Did Tony ever say it to anyone in your presence? A I don't recall him saying it either.

Q Well, is your answer, no, that he didn't say it? You didn't say it. Is your answer that he didn't say it or is your answer that you don't recall? A I don't recall.

Q Are you suggesting then that he might have said it? A I don't know.

Q You don't know. O.K. No further questions at this time. You will stay under subpoena.

MR. KIEFER: The witness will be available. He'll be subject to call at any time.

SENATOR JONES: All right. Let's have Pompeo on the stand.

P O M P E O I O M M E T T I, called as a witness, being duly sworn, testified as follows:

EXAMINATION BY SENATOR JONES:

Q What is your name? A Pompeo Iommetti, also known-

Q Where do you live? A 25 Obal Avenue, East Paterson.

Q How long have you lived in East Paterson, Mr. Iommetti?

A I was born in East Paterson, sir.

Q You've lived there since birth? A Outside of a few years in the Service and a few years in Paterson.

BY MR. GROSS:

Q Now, Mr. Iommetti, you are the member of the Iommetti firm, we gather, who is familiar with the financial arrangements and financial setup? A I am familiar with most of it.

Q Can you help us out as to the Roselle Park job, telling us what the bid was and how much was paid to Acme Disposal to do the job? A May I refer to a book?

Q Yes. A Mr. Gross, is your question how much we received from Roselle Park or how much did--

Q How much did you receive, first? A We received \$1,999 a month.

Q \$1,999 a month? A Per month.

SENATOR JONES: What does that total up to a year?

THE WITNESS: In the neighborhood of \$24,000.

Q \$23,988, which was the contract price? A Yes.

Q Now, how much was paid to Acme Disposal? A There was nothing paid to Acme Disposal.

Q Well, what was the arrangement with Acme Disposal?

A There was none with Acme Disposal.

Q There was no arrangement at all with Acme Disposal?

A Not to my knowledge.

Q Do you know Louis Roselle? A Which Louis Roselle?

Q Louis T. Roselle. A I know a Louis T. Roselle, yes.

Q Do you know what firm he's affiliated with? A He's a private contractor.

Q Affiliated with what firm? A He was affiliated with Acme.

Q Was he affiliated with Acme during 1955?

A I don't know, sir.

Q You don't know? A No.

Q But you say now that in the year 1955, Louis T. Roselle acting for Acme Disposal in Roselle Park did not perform any of the work on that job? A I will say this, Mr. Gross, that Louis T. Roselle and his brother Arthur Roselle were hired by us to do some work in Roselle Park under the trade name of Roselle Bros.

Q Now, under the trade name, how much were they paid?

A They were paid \$1,833.33 a month.

Q What's that figure again? A \$1,833.33.

Q Now, was any actual work done by Iommetti on that job?

A Yes, all supervision, complaints, disposal areas--

SENATOR JONES: What's that? I didn't understand you. I'm sorry to interrupt. What did you say?

A All the supervision, all the complaints were handled by Iommetti, all the disposal end was accommodated by Iommetti, the Iommetti bond was in full force and effect at all times.

Q Who owned the trucks that were running the job?

A I believe I sold Roselle Bros. a truck.

Q One truck took care of that job? A There may have been more.

Q But all the trucks at any rate were owned by Louis T. Roselle trading as Roselle Bros.? A All the trucks? I don't understand.

Q All the trucks that were running and performing that job. A Not necessarily.

Q Well, can you tell us? A I don't know. That was 1955. You're discussing operations on a particular job.

SENATOR JONES: Did you have a written agreement with Roselle?

THE WITNESS: I don't believe so.

Q On that Roselle Park job, was there any year, either prior to '55 or subsequent to 1955, in which you had an arrangement with any other contractor for the disposition of the job?

A Disposition of which job?

Q Roselle Park. A I don't recall any such discussion or arrangement or anything.

Q Would you say definitely that there was no such

arrangement? A I don't recall any of it.

Q Was there any arrangement at any time by which it had been agreed that Iommetti was to get 5 per cent of the job even though another contractor was to be the low bidder?

A No, sir. I don't recall a five per cent figure anywhere along the line.

Q Did you ever make such a statement? A Not to my recollection.

Q Did either one of your brothers ever make such a statement in your presence? A Not to my recollection.

Q Well, could it have been possible that they would make such a statement? A It doesn't seem possible to me.

Q Well, would you say then that it never happened? A Not to my recollection.

Q Not to your recollection. On the Hoboken job, would you be good enough as an expert and the one familiar with the financial arrangements, to estimate what the cost of that job is? A I believe, Mr. Gross, that estimating contracts here at a public hearing would not be in order and I am trying to protect my own property rights and how I estimate jobs, and I don't think it's proper here to estimate any job in view of the competition sitting right here.

BY SENATOR JONES:

Q Are you suggesting that you won't answer the question? A No, Mr. Senator, no. Senator, if specific questions are directed to me with reference to the contract in Hoboken, I will be only too glad to answer to the best of my ability, but I don't think I should give a complete estimated cost on the whole entire contract.

Q In other words, you're telling us what you think right at this moment? A Well, I may have some rights, I believe, Mr. Senator,

Q Your counsel is here. A To protect those interests.

Q O.K.

BY MR. GROSS:

Q Mr. Iommetti, in the recent bidding in Hoboken; that is, on your last bid in Hoboken on March 18, in which your bid was over \$200,000, and specially for a three-year contract was \$627,000, for that job and for that bid, what was your specific cost estimate? A Mr. Gross, the specific cost estimate with profit would be our bid.

Q Well, I am asking how much profit you anticipated on that bid?

SENATOR JONES: Well, stick to it. I want to get to issue with this witness, so you stick to one question and if I decide he is not answering the question, I am going to proceed to the next steps. Now don't shift your questions. Start all over again and give him specific questions and don't move until you are satisfied you've got an answer or you don't have an answer.

George, will you get me the statute?

MR. KIEFER: I have it here, Mr. Jones.

SENATOR JONES: You may need yours.

A Are you ready for my answer?

SENATOR JONES: If you have an answer to counsel's question, go ahead. He asked the question.

A I would like at this time to have an opinion of the entire Committee made as to the proper and pertinent matter in this question, in reference to the statute.

BY SENATOR JONES:

Q In other words, you are asking us to declare whether this is proper and pertinent pursuant to the statute?

A That's right.

Q I am so declaring. Proceed with the questions.

A I feel, Senator, that the statute mentions the word "Committee" and I don't feel that the Committee is here.

Q Is that your objection? A Well, I can refer you to the Morse case which--

Q Is that your objection? A I believe, Mr. Senator, that the exact wording is "more than one Senator or one member is sitting."

Q Is that in the statute? A No, that's in the Morse case.

Q Now I am asking you if the objection is as you have given it to me, because, if it is, I want the objection stated for the record so that I can proceed to deal with your objection. A I would like, Mr. Senator, that the Committee determine under the statute and under the Morse case whether I should answer - that it is proper and pertinent.

Q I have already declared that it is proper and pertinent. Now I am directing you to answer the question. All you've got to do is say whether you will or you won't.

A Under advice of counsel, Mr. Senator, I am not refusing but I don't intend to answer at this time, in view of I would like to have a decision of the Committee formally made.

Q Are you going to answer the question at this time?

A Not at this time, sir.

Q O.K. The Committee will proceed. Next question.

We will dispose of that in very short order. Next question.

BY MR. GROSS:

Q Mr. Iommetti, in connection with this recent bidding in Hoboken, your brother made a statement that you told him you wanted to give help to Rotundo. What help did you want to give to Rotundo? A I wanted to give any assist possible to Anthony Rotundo for me to proceed and bid and to take the Hoboken contract.

SENATOR JONES: Will you repeat that? I didn't hear you, Mr. Iommetti. You are speaking a little bit softly.

A I made a statement to my brother that we would give any assist necessary or to our ability to Anthony Rotundo to bid and possibly negotiate the Hoboken contract.

Q And this, even though you were bidding on the same job? A We were bidding the job without any knowledge of Mr. Rotundo actually bidding and being accepted by the City of Hoboken.

Q And this, though you just said and did in fact say to your brother prior to the bidding that you were about to give any and all help that you could give to Rotundo to get that job? A I told him that we would assist Rotundo in getting the job.

Q Right. A If he needed it, Mr. Gross.

BY SENATOR JONES:

Q Now, in that question of assisting Rotundo to bid

the Hoboken job, when did you first meet with Rotundo?

A You mean on this particular matter, Mr. Jones?

Q Yes, on the Hoboken contract. When did you first meet with Rotundo?

A Well, Anthony Rotundo is our foreman, or was our foreman on the Hoboken contract that we held, and I met with Anthony Rotundo in our garage in Hoboken right after--

Q Approximately what date? A Right after I had picked up the new specifications and plans and questionnaires from City Hall. I would estimate 8 or 10 days before the actual bidding.

BY MR. GROSS:

Q Now, do you know when Rotundo picked up specifications on this job? A No, sir.

Q You do not know? A Not to my knowledge, no, sir.

Q Did you have any conversations with the Globe Indemnity Company in the course of bidding on this job? A Yes, sir.

Q What was the subject of those conversations?

A The subject of conversations with the Globe?

Q Yes. A I asked the Globe to issue bid bond for Anthony Rotundo and we would go as indemnitors if necessary.

Q And this was, of course, prior to the bidding on the job? A That's true, sir.

Q Did you also ask Globe Indemnity for your own bond in order to bid the job? A Well, Mr. Gross, I had several bonds on the job.

Q You had several bonds? A On the first bidding, I used the Travelers, and on the second bidding I used the Globe, and I also had another one with the Travelers for the second bidding.

Q At any rate, during the time that you asked Globe to procure a bond for Rotundo and told Globe you were read to co-sign or help in any way, you knew that you were able to bid the Hoboken job and you in fact had your bond and your specifications were about to be-- A That's a very long question, Mr. Gross. Let's take it in pieces.

SENATOR JONES: Fair enough. Reframe it.

Q During the time or at the time that you made the statement to Globe that you wanted a bond given to Rotundo and that you would assist and co-sign for Rotundo, during that time you already had bonds available to bid the Hoboken job and were about to bid it? A Just a minute, Mr. Gross. I didn't instruct the Globe to do anything. I called one of their roadmen and told him that there was a request--

SENATOR JONES: Whom did you call?

THE WITNESS: I called a fellow by the name of Pete Falk.

SENATOR JONES: Pete who?

THE WITNESS: Falk - F-a-l-k.

SENATOR JONES: And what did you tell Peter Falk?

THE WITNESS: That Anthony Rotundo was making application for a bond for the City of Hoboken, and at the same time I made one for my own company.

Q At the very same time?

BY SENATOR JONES:

Q In other words, Rotundo had previously made application for a bond at Globe? A No, sir.

Q You were making it for him, weren't you? A I told him that he was ready to make the application.

Q And you were making it for him, weren't you? A I didn't make it. I didn't make the application for him, Senator.

Q But you told him that he was coming forward to make an application. A I beg your pardon.

Q You told him that Rotundo would be in to make an application for a bond, didn't you? A That's right, sir.

Q And you told him you were going to make an application for a bond, didn't you? A I made my application at that time.

Q Right. And did you tell him anything more at that time than that? Did you talk to him about indemnifying?

A I told Pete Falk that this naturally has to go through the Company offices, that if Anthony Rotundo needed assistance that I would indemnify his bond.

Q In other words, there was some question in your mind as to whether or not Rotundo on his own, with his own financial accumulation of assets, was able to get a Globe Indemnity bond, isn't that right? A I think, Senator, that Anthony Rotundo, in my own mind, could have, if he had sufficient time and data and a record of his experience, obtained a bond on his own merits, but I wanted to really see that he got this bond to bid and I went along and asked, if needed, I would assist.

Q So that when you talked to Peter Falk, you were then of the opinion that it might take some time for Rotundo to prove that he was a person whom they would be prepared to bond?

A Not necessarily, Senator. Sometimes these bonds come through in 2 or 3 days; sometimes they take more; sometimes

they take less.

Q You wanted to make sure that he was bidding, didn't you? A Well, I wanted to make sure that my assist, if I'm giving him any, was going to be carried out, yes.

Q Right. You knew that if he couldn't submit a bond to the City of Hoboken, he could not bid, didn't you? A Well, I must assume that, Mr. Senator, that if he hasn't got a bond he can't bid.

Q Well, you don't assume that; you know it. You couldn't bid if you didn't have a bond either, could you? A That's correct.

Q That's what the city calls for, a bond, doesn't it? A Well, he may be able to bid but I don't know if it will be a legal binding bid. He could bid without a bond, he could bid without a check, he could bid without a dump, but that doesn't necessarily mean that it will be accepted.

Q The plans and specifications and the requests for bids of the city require those items as necessities, don't they? A But all bids, Mr. Senator, are not in full compliance. There are always bids that -

Q But that's what the City of Hoboken is calling for, isn't it? A bond, a performance bond. Right? A That's right.

Q And you knew for him to be able to be a successful bidder, in view of your long experience in the garbage field, that he would have to have a performance bond, didn't you?

A I felt it was proper and necessary for him to have a bond.

Q O.K. So that, in effect, you were assuring Rotundo the ability to bid and, if the low bidder, to be able to get

the contract; isn't that right? A Will you repeat that question, please?

Q (Question repeated by stenographer). A I don't understand that question.

Q You don't understand the question? A No, sir. Will you ask it again in a different way, Mr. Jones?

Q All right. You were assuring by your actions - you were making it possible and assuring Rotundo's ability or capacity to bid, weren't you? A Mr. Senator, I wasn't assuring anything. I was making an assist and there is always a possibility that even with my assist a bond would not have been written for Mr. Rotundo, and it's happened before that the bonding company, regardless of who is behind a bond, they still don't write it because of experience or some other reason.

Q O.K. Go ahead, counsel.
BY MR. GROSS:

Q Mr. Iommetti, did you know how much Ippolito was going to bid on this job? A I definitely did not know if Ippolito was bidding or how much his bids were in either bidding and to this day we have had no discussions with Ippolito in reference to price or whether he was bidding or not in the Hoboken contract. I want that very clear, Mr. Gross.

SENATOR JONES: You want that very clear?

THE WITNESS: Yes.

Q Did you ever tell Ippolito that the amount he was going to bid was crazy or way out of line? A Mr. Gross, I will state that a discussion was held with the Ippolitos and there were prices discussed and there were jobs discussed,

there were Union contracts discussed, the Association was discussed, equipment was discussed, and so forth, but there was never any knowledge either way by anyone as to what they were going to bid and if they were going to bid.

Q Did you have any conversation with James Orio or any of the Orios before the bidding in Hoboken? A To the best of my recollection, Mr. Gross, I have had no discussions with Mr. Orio in reference to the Hoboken bidding.

Q Did you have any discussions with anyone from Orio about any subject prior to the Hoboken bidding? A For the record, Mr. Gross, between the first and second bidding, I can fairly safely say that I didn't even see Orio or any affiliate of his company.

Q But did you call any of the Orio's? A Not to my knowledge.

Q And you received no call from them? A Not to my knowledge.

Q Do you know whether any of your brothers-- A Well, there may have been calls from Orio. We do business with Orio, but not in reference to the Hoboken biddings.

Q Did you also make available trucks to Rotundo on this Hoboken job? A When you say "you," I am assuming here and understand that you are talking to me as a contractor, Iometti & Sons, and Inc.

Q That's right. A Inc. and the partnership have made no commitment of trucks.

SENATOR JONES: What do you mean by "no commitment of trucks"?

THE WITNESS: He's talking - Well, rephrase the question; I'll answer the question.

Q By "you," I mean any firm with which you are connected, Mr. Iommetti. Did you make available any trucks to Rotundo? A Yes, I made available to Anthony Rotundo a letter certifying that Sanitation Equipment Corporation, distributors of the Leach Packmaster, would make available to Rotundo three trucks ready for the performance of the contract if he was awarded it.

Q Now, this again was another tangible assist for Rotundo in order for him to satisfy the specifications in Hoboken? A Well, I think that's a customary procedure and it's to my advantage to make a sale of three units if he was awarded the contract.

Q I see. Do you also help competitive bidders on other jobs? A When you discuss the Sanitation Equipment letters, we do and we will assist every contractor, every municipality in our territory.

Q During the period that you owned a dump, was there any assist in the form of giving dump permits to a competitive bidder? A Mr. Gross, for the record, we never owned a dump.

Q Well, what do you have? A lease for a dump? A Rephrase the question, please.

Q Well, did you have a lease for a dump? A Yes, we had a lease for a dump and we still have it today.

Q All right. Now, is it still operating? A The dump itself is taking probably two loads a week of industrial waste and for all intents and purposes, outside of Iommetti & Company, the dump is closed.

Q Now, in the past years have you given dump permits to other contractors? A Yes, sir.

Q Have you given dump permits to other contractors when you knew they were going to bid the same job you were about to bid? A I think, Mr. Gross, it's only good business that if I am bidding a job and another contractor comes in and says he wants to bid the same job that I am planning to bid, I will refuse him the permit and I believe I have done that in the past. It's only fair competition, and this dump was acquired by us for our benefit primarily in the garbage business.

Q Do you always ask an applicant for a dump permit what jobs he is going to bid, what job it's for? A I believe the procedure is that they have to submit an application for each job to myself - they do or I do in turn to the local board of health who has jurisdiction over the dump.

Q So that you have an advantage in the industry in knowing what contractors are about to bid what jobs? A Not necessarily, Mr. Gross. I have an advantage that I have my own dump; if you want to put it that way, I may agree, but I have no advantage in knowing who's bidding and who's not bidding. There are ample dumping facilities and it's up to each individual contractor to go out and negotiate his own, so far as I feel, as a contractor.

Q On this Hoboken job, was application ever made to your firm by Ippolito for a dump permit? A I don't believe so, sir.

Q It was not. Have applications ever been made by the Ippolito's for a dump permit, your dump? A There may have been, sir.

Q Were they ever given a dump permit? A I believe Ernest Ippolito may have received dumping permits, or I

believe he used my dump at one time or another in partnership with someone else. This goes back a few years, to the best of my recollection.

Q Now, those trucks which you made available to Rotundo for the purpose of meeting specifications in Hoboken, has title been transferred to Rotundo? A The titles were transferred yesterday, sir.

Q Yesterday? A Yes, sir.

Q What arrangements have been made for financing those trucks? A The arrangements were made through the Fair Lawn-Radburn Trust Company.

Q Who made the request for that financing? A I made the request.

Q You made the request yourself? A Yes, sir.

Q You made the arrangements for the financing.

A Incidentally, I make arrangements on the sale of equipment very regularly, on all sales of equipment, through the Fair Lawn Bank. I believe they carry quite a considerable amount of money as encumbered equipment.

Q Now, who actually attended, on behalf of the Iommetti firm, the bidding in Hoboken on March 18th? A I will state for the record, Mr. Gross, I attended both meetings.

Q You were present? A At both meetings.

Q How many calls are there for bids, or were there on March 18th? A How many calls for bids?

Q That's right, by borough officials. A To the best of my recollection, the advertisement was read and there was notice for bids and that was it.

Q I'm talking about actual procedure at the meeting. Is there not more than one call for bids? A Well, the

procedure that I know of, Mr. Gross - I don't recall the exact procedure that was held in Hoboken, but the procedure that I know of is that the time is made available for the receiving of bids and then there is a time specified that the time be closed, and then a motion is made that the bids be opened and read. I don't think there was any variation from the normal procedure in Hoboken that I recollect.

Q Now, are there not actually or were there not in fact on March 18th three calls within a very short space of time for bids? A Three calls for bids?

Q Yes. A I don't recall that. I don't understand the question at all.

Q You don't recall that at all? A There was a call for bids and they were submitted and the time was closed; that's all I recall. Maybe I wasn't paying attention, I don't know.

Q Mr. Iommetti, what has been your activity with the Municipal Garbage Contractors Association? A I was a member of the Association from its inception.

Q Have you attended the meetings yourself on behalf of the firm? A I have attended meetings on behalf of the firm myself, yes.

Q Were you one of the original members of the group? A Yes, sir.

Q Would you tell us actually what your purpose was in joining that group? A Well, I think this Committee should have a copy of our bylaws, which are self-explanatory, and the major features, I believe, were for better industrial relations and better labor relations, and a general all-around improving of the garbage industry in general in reference to public relations, and so forth.

BY SENATOR JONES:

Q In other words, you are standing on the objects that the Association - or the expressed purposes of the Association, and there were no other purposes; is that your point?

A I believe so, Mr. Jones.

BY MR. GROSS:

Q Now, were there at any time at these Association meetings, either formally or informally, any discussion of bidding on jobs, amounts to be submitted, etc.? A Let me say, Mr. Gross, that at any time any contractors get together there is always a discussion of contracts, contractors, Unions, trucks, equipment, and all material involved in the industry, but to my knowledge I have never heard any bidding explained or who was bidding what, how much, and so forth.

BY SENATOR JONES:

Q And in addition to your not hearing such, you have never participated personally in such? A No, sir.

Q Nor in behalf of the Iommetti & Sons partnership?

A No, sir.

Q Nor in behalf of Iommetti & Sons Corporation?

A No, sir, Mr. Senator.

BY MR. GROSS:

Q Do you remember, Mr. Iommetti, that there was bidding in Haworth in 1955? A Did you say Haworth?

Q Haworth. A That's in Bergen County? Haworth?

Q That's right. A There may have been a bidding. That was a municipal collection changed over to contractor to the best of my recollection.

Q And at the last time it was municipal collection, do you remember having any discussion with respect to dump

permits and who was to be given a dump permit? A Not to my recollection, sir.

Q Do you remember at all attending a meeting at the Viola office prior to that Haworth bidding? A I beg your pardon.

Q I said, do you remember at all attending a meeting in the Viola office prior to the Haworth bidding. A A meeting with who, sir?

Q I am asking whether you remember attending any meeting. A I have reason to go to Mr. Viola's office but I don't recall any meeting prior to the bidding which had any effect on the bidding. I don't know; I don't know what your question is.

Q Prior to the Haworth bidding, do you remember going to a meeting at the Viola office where there was present Stamato, Viola, Orio, and John Serratelli? A I don't recall such a meeting, sir.

Q Do you say that it never happened? A To my knowledge it never happened.

Q It never happened. Do you remember any discussion at all prior to the Haworth job about giving dump permits to particular contractors? A I don't recall anything on the Haworth contract at all, sir.

BY SENATOR JONES:

Q Do you recall a meeting on any other contract for any other town? A I don't know what you mean by a meeting. I have meetings every day, Mr. Senator.

BY MR. GROSS:

Q Do you remember the recent bidding in East Paterson, 1958? A You mean, for the present contract which we

Q Yes. A I recall that.

Q Did you bid on that job? A Yes, sir.

Q Do you know how much you bid on the job? A In the neighborhood of \$47,000.

Q And to whom was the job awarded? A That was awarded to us for one year.

Q One year? A Yes, sir.

Q Do you remember what the other bids were on the job?

A I don't recall the other bidders.

Q You don't know who the other bidders were?

A Just a minute. I'll check the records if I have any.

O.K.? May I have a glass of water in the meantime?

SENATOR JONES: Sure. Come up and get it.

THE WITNESS: Thank you.

MR. HARKINS: No, sit there and I'll bring it to you.

SENATOR JONES: That's what is known as the courtesies of the house.

A I don't have any records here pertaining to the bidding, Mr. Gross. I believe the Ippolito Company bid the job, if that's what you want to know.

Q Only Ippolito? A To the best of my recollection. That's the only name that comes to my mind. There may have been more, I don't know.

Q Are you aware that the average of Ippolito's three-year award, the average on a one-year basis was lower than the bid for your one-year contract which you were awarded?

A No, I'm not aware of it, sir. I believe the Ippolito Company was low for three years and we were low for one and five, I believe, or something of that nature. I don't recall

the exact figures.

Q Do you know Al Tortorello? A Yes, I do.

Q Who is he? A I believe Al Tortorello is in business with what they call - a large container box business, more or less industrial waste removal.

Q He is an independent garbage contractor? A Yes, he has a trade name which I don't recall right now.

Q Did you ever have any conversations with Al Tortorello with respect to the Wallington job at any time? A I may have, I don't recall.

Q You may have. Did you ever have the Wallington job? A Yes, we did.

Q What was the last year that you had the Wallington job? A To the best of my recollection, Mr. Gross, we completed a contract, a five-year contract, which started sometime in 1947. It was five years and I believe it brought it up to 1952. In 1952 it was rebid and Stamato was the successful bidder, on which contract we instituted litigation in court to set it aside and I believe seven or eight months expired and that contract was assigned to us with the consent of the municipality for the remainder of his contract.

Q Did you rebid on the next contract bidding? A I beg your pardon.

Q Did you bid again the next time that contract came up? A I don't recall, sir.

Q Do you recall at all a ruling from anyone in the Municipal Contractors Association or any other party that you could not take that job on the next bidding?

A No, sir.

Q Did you ever tell any person-- A Tell any person what?

Q Did you ever tell any person that you were forced to give up that job? A I don't believe so. I may have, but I don't believe so.

Q Pardon me? A I may have, but I don't believe so.

Q You may have told-- A In a general discussion.

Q -- some person that you were forced to give up that job? A I wouldn't use the word "forced." I may have been discussing with contractors and, in fact, I believe I discussed with Ippolito recently the Wallington and Weehawken contract which we lost, not that we were forced to give up.

Q Did you lose those jobs because of Association policy? A No, sir.

Q Did the loss of those jobs have anything to do with a ruling of any sort from the Association? A There was no such ruling to my knowledge.

BY SENATOR JONES:

Q How about Serratelli? Was there any ruling from Serratelli to that effect? A Not to my knowledge, sir.

Q You know Serratelli? I don't have to introduce you. A Yes, I know Serratelli.

Q So there was no ruling from either the Association or John Serratelli to the effect that counsel has suggested here by his question? A Not to my knowledge.

Q Was there a ruling from anybody? A Not to my knowledge, sir.

Q Not to you? A No, sir.

Q How about your brothers Chester and Tony? A They were very unfamiliar with the Association and I don't believe

my brother Tony ever attended any meeting. I was at most of the meetings that were attended by our firm.

Q So you know of no ruling to them and they have never told you of any? A No, sir.

BY MR. GROSS:

Q Would you refer to Wallington and Weehawken as good jobs or bad jobs? A By good jobs and bad jobs, we bid them and lost them. How close the bidding is, whether they are good or bad, we lost them. They were good at my price to me, which I didn't get.

Q Is there any terminology in the industry for a good job? A I don't know what you mean by the words "good job," Mr. Gross.

Q But you say, at any rate, that those two jobs were not taken from you by any outside authority? A They were taken from us by other bidders, lower bidders.

Q Except in the course of competitive bidding.
A To my knowledge, that's the way it is.

Q Now I take it that you were at this conversation, which your brother referred to, one evening prior to the second bidding in Hoboken? A Yes, sir, and that point is where we discussed Wallington and Weehawken, I believe.

Q Will you tell us what the conversations were?
A With reference to those features, I believe the Ippolito's asked me about their membership in the Association and evidently they had submitted a check and they never received knowledge of whether they were in or out and material of that nature, and I told them that I didn't see any benefit in getting in the Association as far as getting work and

that we had lost Weehawken and Wallington as members of the Association.

BY SENATOR JONES:

Q Well now, how do you lose Wallington and Weehawken because you were a member of the Association? A The point that he was trying to make to me, Senator, was that being in the Association he could get some work, and I told him that that was not so.

Q That was not so. A And actually--

Q And you told him that in Weehawken and Wallington you lost work? A I lost work being a member, yes.

Q Being a member. How, because you were a member of the Association, do you account for the loss of Weehawken and Wallington? A It has no bearing on it.

Q It has no bearing. A It has no bearing on my losing.

Q And you told that to Ippolito? A That as a member I lost work; I did tell him that, yes; that as a member I lost work.

BY MR. GROSS:

Q Are there any rights given to contractors to bid particular jobs, Mr. Iommetti? A I beg your pardon? Any right?

Q That's right. A Given to contractors? Everybody has a right to bid anywhere and everywhere.

BY SENATOR JONES:

Q Let's go back. You say that as a member of the Association you lost Weehawken and Wallington and you told that to Ippolito. Now which of the Ippolitos did you tell

that to? A I believe there was Joseph and Vincent Ippolito came to my office.

Q What was the date of that conversation? A It was prior to the Hoboken bidding.

Q Well, I know, but when? How prior? A I believe it was the day before.

Q The day before. They came to your office in Paramus? A Yes, sir, that's right.

Q And they, as I understand your testimony, said they would like to become members of the Association because they could get work. A They were questioning me in reference to the Association and also brought up matters that had transpired between themselves and the Association about becoming members.

Q And they said to you they wanted to become a member? A I wouldn't put it that way. They just asked questions about the Association.

Q Did they ask you for help? A Did they ask me for help?

Q Yes, to become a member? A No, I don't believe so. Mr. Ippolito, Ernest, asked me sometime ago about help.

Q I am talking about membership in the Association. Did they ask you for help, for you to help them become a member of the Association? A (Consults with counsel).

Q What's hard about that? I mean, if he wants to consult with you, Mr. Kiefer, I believe he has a right to but-

MR. KIEFER: He just asked me if he could have a drink of water.

SENATOR JONES: Oh. I appreciate people needing a lawyer and I hope they continue to do so for personal reasons, but why you need a lawyer to--

MR. KIEFER: I merely said that he should finish his glass. It's not legal advice.

Q Now that's a very simple question. Did they ask you for help to join the Association? A Are you talking about this time or prior?

Q You said they came to see you the day before the contract was to be let. A At that time I don't believe they asked me for any help; not to my knowledge.

Q They had asked you for help at some prior time, is that the point? A Not those two fellows. Mr. Ernest Ippolito had discussed joining the Association with me.

Q O.K.

SENATOR JONES: We will have a three minute recess.

(After recess)

BY SENATOR JONES:

Q We will continue with the hearing. As I recall, you said that sometime prior - your last statement was that at sometime prior, Ippolito asked you for help to get into the Association. Is that right? A That's right. It was discussed. I don't know that he actually asked for help but he discussed the Association with me.

Q All right. Now, at the meeting immediately before the Hoboken bid, though, you did or did not say to Ippolito that you had lost two jobs because you were a member of the Association? A No, I didn't say "because I was a member." I said that as a member I lost two jobs, and there is no

control or any promises of work as being a member of the Association. I didn't know if at that time it was to his advantage to become a member.

Q And why wasn't it to his advantage to become a member. A "I don't know," I said. I don't know if it was to his advantage.

BY MR. GROSS:

Q Mr. Iometti, are there other contractors who are members of this Association who promise particular jobs?

A Promise particular jobs to who?

Q To other contractors. A Not to my knowledge, sir.

Q Did Stamato ever promise any job to any contractor?

A Not to my knowledge, sir. I don't know what Stamato promised.

Q Did you ever say that he promised a job to any other contractor? A Did I ever say?

Q Yes. A In a discussion I may say anything. As a matter of fact, here I'm under oath, I don't know of any jobs that he's promised.

Q You don't know of any jobs that he's promised?

A No, sir.

Q Have you been in close touch with the other contractors recently as a member of the Association? A Which contractors, sir? The members of the Association?

Q The members of the Association. A I believe we have a monthly meeting and I saw them sometimes.

Q You are still an active member? A I'm still a member, yes.

Q Are you friendly with all the contractors?

A I would say friendly.

Q Ever been fighting with any of them? A What do you mean "fighting"? Have a fist fight? No, I don't believe so.

Q Not a fist fight. A Well, what do you mean by a fight?

Q Did you ever have any feud with any particular contractor?

SENATOR JONES: A commercial feud, business feud.

THE WITNESS: In business there's always feuds, always. I would say there's feuds going on all the time.

Q What feud are you having right now? A I don't know of any. Well, I'm having a feud with Ippolito right now.

Q Have you had any feuds with Roselle? A I believe so.

Q You believe so? A I've had feuds with all contractors, but I don't know of any at the moment that are what you'd call a feud.

BY SENATOR JONES:

Q What's your feud with Ippolito right now? A Well, Mr. Jones, the Ippolito Company, it seems by past experience bids every job where Iommetti is working and on a rebid we always find Ippolito Company, and I've asked Mr. Ippolito why doesn't he bid all jobs if he's looking for work.

Q Is that your feud? A I think there is an antagonistic, bitter feeling between Ippolito and Iommetti and there has been.

Q And is it your feud that he's lower than you are? A I wouldn't call it a feud. It's strictly competition

and it's been very bitter and very strong competition.

BY MR. GROSS:

Q Do you have any arrangements with any contractors?

A What type of arrangements?

Q Arrangements for bidding in one town or not bidding in one town where the other contractor is bidding? A I have no such arrangements.

Q Have you ever said that you have such arrangements?

A Mr. Gross, in a discussion you could say anything. You can barter and you can trade and you can give any kind of discussion pertaining to the garbage industry, which is all confusing.

Q Mr. Iommetti, what was the situation in bidding in East Paterson in the 1958 contract? A You mean the 1959 contract. Or '58, sir?

Q The 1959 contract. You bid in 1958? A In 1958 I believe we completed a three-year contract, and there was a rebid in the latter part of 1958 that covered the '59 calendar year.

Q Did you have any discussions with other contractors prior to that job? A As I say, Mr. Gross, there are always discussions. We discuss everything.

Q With respect to who was to get the job or what the arrangement was? A As to who was to get it? I was assuming that we were bidding to get the job, our firm.

Q And there was no discussion at any time about who was to get that job? A Not to my knowledge, sir.

Q And there was no "fix" at any time? A Absolutely not, sir, and the prices themselves will bear out that there is no "fix" or any other arrangements. There has been no "fix" to my knowledge on any of my work.

Q Did you ever have any deal or "fix" on the Hoboken job?

A There was never any deal or "fix". There was plenty of discussion and trading back and forth and discussion of all types of jobs and equipment and contractors, but there was no arrangement and no "fix" and no deal.

Q Did you ever have a plan to have a bid accepted of \$220,000 on the Hoboken job? A Did I ever have a plan?

Q That's right. A I bid it with expectations of getting the contract, but I was bid out. I was under-bid.

Q There was no plan at all, or pre-arrangement?

A There was no pre-arrangement.

Q How many inspectors are there in Hoboken? A I don't know, sir. I believe that I know two of them.

Q You know two personally? A I've met them, yes.

Q Has it ever cost any contractor who had that job a sum of money? A Has it cost who?

Q Has it ever cost any contractor who had the job in Hoboken any sum of money as a result of those inspectors?

A Not to my knowledge, sir.

Q Not to your knowledge? A No, sir.

Q That knowledge never came to you in any way through your brothers or otherwise? A Mr. Gross, for the record, I believe you are coming into the discussion I had with the Ippolitos in reference to Hoboken prior to the bidding, and I told the Ippolitos many, many things, amusing things, serious matters, back and forth to confuse them altogether, and I believe that the two younger Ippolitos left my office completely confused.

BY SENATOR JONES:

Q Incidentally, did Rotundo get the bond within your knowledge for the Hoboken contract? A To my knowledge?

Q Yes. A I found out this morning that he got it, yes.

Q Did you provide him with any of the financial indemnification that you proposed to give him to get the bid?

A I did, sir, with others.

Q With others. So in effect you and who else loaned their assets to Rotundo so that he could qualify for the Hoboken contract? A Just a moment. To my knowledge, these other people on the Rotundo bond have also assisted.

Q Yes, but I say that you and others have assisted Rotundo by supplying your assets for him to qualify on the bond; is that right? A Myself and others, yes.

Q And is it the Globe Indemnity that has issued the bond?

A I believe so, yes.

Q Well now, what did you contribute by the way of assets to Rotundo so that he could qualify for the bond? A We have contributed our personal indemnity--the three brothers--and all our statements are on file with the Globe and they have knowledge of our resources and finances.

Q O.K. So then, in effect, pursuant to this bond with the Globe Indemnity Company, if Rotundo fails in performance in any degree, the assets of you three brothers in a personal sense and the assets of the corporation and partnership will stand to make any loss up to the Globe Indemnity Company in the event of a loss. Is that right?

A Not alone, sir.

Q As it relates to you. A I imagine that there is indemnification made by Iommetti partly.

Q Who are the other people who are in on this assist of assets to sweeten up the Rotundo bond? A I believe they are some relations of Mr. Rotundo.

Q Well, now, who are they? You know, so you might as well tell us. A I know one of them - Mr. Carmen DiFranco, his nephew.

Q All right. Who else? A And I believe it's his sister and brother-in-law; I don't recall the name.

Q And his sister and brother-in-law. A I believe that's who they are. I'm not sure of that. Plus, Mr. Jones, the fact that Rotundo's personal statement is involved here at all times.

Q We understand that. And if Mr. Rotundo and all these other people don't pay, you pay. Isn't that right? You and your brothers and your corporation and your partnership, all their assets are pledged to this loss; isn't that right?

A Jointly, sir.

Q The answer is, "Yes, jointly," is that right? A Yes. Only in the performance of the contract.

Q We understand. And that contract is for how much a year - \$153,000 a year for three years? A I believe that's correct.

Q So that you have lived up to your commitment to Rotundo that if he bid against you and was successful, you would assist him in acquiring the Hoboken contract? A Will you state that again, Mr. Senator?

Q So you have lived up to your commitment to Rotundo that in the event he bid the Hoboken contract and was

successful, you would help him get the bond and the contract?

A Mr. Senator, at the time of the bid bond we would assist if necessary. Now it came to the conclusion after, that the Globe Indemnity requested that we go on the bond. There was no commitment at that time; the commitment with the company, we signed an indemnification on the bond because they asked us.

Q Well now, you told Anthony Rotundo that if he bid and he needed some help on the bond you would give it to him; isn't that right? A I agreed to assist if necessary. He was supposed to go on his own.

Q It became necessary, didn't it? A It became necessary, but he was to--

Q And because it became necessary, you gave him jointly with your brothers and through your corporate and partnership devices you gave him the assistance that was necessary, didn't you? A We assisted.

Q It's very simple. Yes, you did, didn't you? Isn't that right? A Assistance as indemnitors with others, we did.

Q Yes. So in effect you helped a man you were bidding against as a result of a prior promise to do so? There's nothing hard about that. A I didn't understand the last part of that question.

Q (Question repeated by stenographer). A You say that I am bidding against. I had no knowledge that Anthony Rotundo would submit a bid in Hoboken even with my assistance.

Q Well, then, if you didn't know that he was going to submit a bid, what did you promise to help him for?

A He had to do certain things on his own to complete his bid. I assisted him but the completion and all the other features necessary in the bid would have to be made by him but I didn't know if he was going to be at City Hall and submit a bid. He could have taken a powder and went to Florida.

Q He could have taken a powder and gone to Florida, but whether he took a powder or not, you told him before he bid that if necessary you would assist him in getting a bond with assets of yours. A Well, getting a bond and submitting a bid are two different things, Mr. Senator.

Q Yes, they are, but you don't get the bid unless you get the bond. A We assisted jointly on the bond and whether he was bidding, that was his own decision to make.

Q It was his own decision to make. But you wanted him to know before he made the decision that you were going to help him get a bond if he required it. A I told him we would assist if necessary.

Q O.K. So you were prepared to have one of the bidders whom you were going to bid against to get your aid if he required it; isn't that right? A I had no knowledge that he was a bidder at this time.

Q Did you have any knowledge about Ippolito being a bidder? A No, sir.

Q None at all? A I assume--

Q Did you ever offer Ippolito any money in the event he had trouble in getting a bond? A Did I offer Ippolito any money?

Q Yes. Did you go to Ippolito and say, "Listen, if you need any help, if it's necessary I'll be glad to help you get a bond if you bid the Hoboken job?" A To my recollection, Ippolito never asked for assistance.

Q He never asked for assistance. Did you ever offer to sub-contract or assign the job to Ippolito before the bid?

A I beg your pardon?

Q Did you ever offer to sub-contract or assign the contract to Ippolito? A Which contract, sir?

Q The Hoboken contract. A Did I ever assign it?

Q Yes. Did you offer to sub-let or assign the Hoboken contract in the event you got it? To Ippolito? A Assignment or subletting is not permissible under the contract.

Q It isn't, huh? A That's right.

Q You know that. A I'm very well aware and we never assigned or sublet it.

Q And you never offered to do that for Ippolito in the event you were successful? A In a discussion with Ippolito all types of exchanges were made, both parties, and to me it was a very amusing meeting and confusing.

Q Well now, let's get down to, apart from the fact that it was amusing to you and confusing to Ippolito - let's get down to whether or not, amid all the amusement and confusion, you offered in the event that you were permitted to be the successful bidder - that you offered to assign, sublet, or in some manner turn over the job to Ippolito. Now, did you or didn't you do that? A In the course of the discussion, Mr. Jones, as I said before, there were all types of exchanges made, but I had no knowledge of who was bidding Hoboken, how many bidders were going to be there, or what prices.

Q You didn't answer the question, however. A I believe I did, sir.

Q Well, I don't believe you did. A Can I hear it again?

Q All right. I'll repeat it. During the course of your discussion with Ippolito the day before the contract was to be bid in Hoboken, did you offer to the Ippolitos the proposition that if you were permitted to be the successful bidder you would assign, sublet, or otherwise turn over to them the Hoboken contract at a price. Now I'm going to stick with this.

A I believe I answered your question. There were offers made both ways. I made offers to him and he made offers to me, and it was very amusing.

Q That's fine. We'll come to his offers to you next. I want your offer to him. Did you do that? A In the discussion there may have been offers made verbally with no intention or not knowing the fact of who was bidding in Hoboken and not knowing any bids.

Q Well, did you do that now? A In the discussion all types of offers were made.

Q Did you do that? A They were made.

Q In other words, you did. A In a discussion.

Q O.K. That's what I wanted to hear you say. You did.

A But you've got to understand, Mr. Senator--

Q I understand there was amusement and confusion.

A To me it was very amusing and being in a position to confuse the Ippolitos, we discussed exchanges of jobs, we discussed labor, and I told Mr. Ippolito, the two Ippolitos, at that time that if they got the Hoboken contract all their men in other jobs would be unionized and it would cost them twelve, fifteen, or twenty thousand dollars more, and there were all types of discussion. No arrangements were made at any time and there was no knowledge by either party of the bids or who was bidding in Hoboken.

Q O.K. We are down now to the solid fact that you did offer him an arrangement in the event that you were the successful bidder. Now, what offer did he make to you? You said there were offers back and forth. What was his offer to you? A Well, as I stated before, there were contracts both ways passed along, and during the discussion there may have been a dozen jobs discussed.

Q All right. Did he make any offers? A I believe he did.

Q If you believe he did and if he made them to you, will you now tell the Committee about the offers that he made?

A As I said before, Mr. Jones, there was exchanges by both parties but there were no arrangements made.

Q Now, I repeat the question: What is the offer that the Ippolitos made to you with respect to the Hoboken contract?

A Well, you are using the word "offer," Mr. Senator. In the discussion, words relating to his contracts of Maywood and South Hackensack were discussed - whether it was an offer, and there was no intention of my accepting any offer, and I believe it worked in reverse that there was no intention of any offers the other way.

Q I'm going to repeat the question. A I answered what he offered.

Q What did he offer? A Well, what you say offered.

Q What do you say? Tell me what he said to you --

A Well, it was a discussion, Mr. Jones. We discussed all types of jobs; we discussed the Association; we discussed labor; and in the discussion he mentioned his two contracts

of Maywood and South Hackensack, and I mentioned several contracts of mine, but there were no offers, no arrangements, no fixing.

Q Nothing like that? A Absolutely not, sir.

Q Well, now, tell me what he made mention of in connection with the towns he had? A He made mention of Maywood and South Hackensack.

Q What did he say? A I don't recall the exact wording.

Q Well, tell us to the best of your recollection what he said? A It's a very hard question for me to answer. I don't recall the exact wording of what he said.

Q Well, to the best of your recollection now, you tell us. A To the best of my recollection, he stated that he would give me those contracts.

Q He said that he would give you South Hackensack and Maywood? A Right.

Q And he would give them to you for what? A Well, that's the part I'm not clear on. I imagine what he meant, if he didn't say it in those words, was that I wouldn't bid Hoboken. But he had no knowledge either, I believe, who was bidding Hoboken.

Q In other words, your recollection is that he said to you, "I will give you the towns of Maywood and South Hackensack if you won't bid Hoboken," is that it? A More or less in those words, always bearing in mind that neither of us knew how many and who was bidding Hoboken.

Q Neither of you knew whether either of you were going to bid the job? A I certainly didn't know he was

bidding - I assumed he was - and I didn't know who else was going to bid.

Q O.K. Now, that's what he offered to do. Did you make any offer in connection with some towns as to what you would do? A Again I state, Mr. Senator, that all of this was done in a very jokingly and amusing fashion, trading back and forth.

Q You've made that abundantly clear. As a matter of fact, I'm beginning to laugh myself. The point I want you to get to is, whether it was amusing and confusing or not, I want to know what was said. Now, what did you say? A I believe there was a discussion on two of our jobs which expired in nine months - East Paterson and New Milford. At that time there were discussions but there were no offers, there was no fixing, there was no arranging, Mr. Senator.

Q O.K. But you did say - What were the two towns you made mention of that were expiring? A East Paterson and New Milford.

Q All right. Now, what did you say about East Paterson and New Milford to Ippolito? A I may have said to Ippolito, "How would you like to have those two jobs?" or he would say, "How would you like Maywood?" or I would say, "How would you like to have Paterson?" or how would you like to have some other town. There was discussion of all types of jobs, including other matters.

Q You said to him, "How would like to have New Milford and East Paterson?" Right? A I may have, yes.

Q And when you said to him, "How would you like to have East Paterson and New Milford?" was that for the purpose of having him withdraw or not bid in connection with Hoboken?

A It was definitely not, sir.

Q It was not. A There was no intention of anyone withdrawing and there was never a statement made that he should withdraw; we never asked him to withdraw and we never asked him what he intended to bid?

Q All right. Now, if it wasn't in connection with Hoboken, which you have already said it was not in connection with, then what was it in connection with? Why were you offering him South Hackensack - or why were you offering him New Milford and East Paterson if it wasn't in connection with Hoboken? What was it in connection with? A As I said before, there were no offers. It was a discussion of "How would like to have this job?" or "How would you like to have that job?" And that's the way it went on.

Q That's the way it went on, but what was it in connection with? A Just general discussion, Mr. Senator.

Q Just a general discussion. What was the objective of the meeting? To have a general discussion? A I believe I answered that before, Mr. Senator. The objective of the meeting was that I wanted to know why the Ippolito's were so antagonistic and bitter toward Iometti's, why they did not bid all jobs but just wait for jobs that Iometti is performing instead of bidding all jobs, and we had a discussion of equipment and all majors of the business.

Q And Hoboken as a specific job was never discussed? A We discussed Hoboken, - I made mention of that before - as one of the jobs under discussion. There were no arrangements or no fixes, Mr. Senator.

Q O.K. But you did discuss the forthcoming Hoboken bid for the next day then, isn't that right? A I believe we were both aware that the bidding was the next day at that

time.

Q You mean, you really think that you both knew that the next day you would have a bid in Hoboken. A I believe that that was aware to both of us.

Q And beyond being aware of it, however, it never rose to the level of a conversation between you two, did it?

A Mr. Senator, I will state again that I never asked Ippolito to do anything with reference to Hoboken, as to bidding or not, or as to what his bids were, or whether he intended to bid; we had no discussion relating to the bidding, the actual submission of bids in Hoboken.

Q Did you ask Ippolito -- incidentally, who was there with you at this time, at this discussion? A I believe the two Ippolito's, Joseph, Vinnie and myself, and I don't know if both of my brothers were there for the whole meeting but they were there part of the time or maybe all of the time. I don't know. But I run the discussion --

Q Chester was there? A -- I ran most of the discussion with Vincent and Joseph.

Q And Chester was there and Tony was there?

A I believe they was both there at certain times, if not all the time.

Q And during that whole period of time, neither you nor Tony nor Chester ever asked the Ippolito's to come to any decision or to make any -- give you any idea of what they would do in Hoboken. Is that right? That's what you said.

A To my knowledge, we have never asked Ippolito to do anything in reference to Hoboken, whether he was bidding or his bid.

Q O.K. And I assume that you never said to him, under any circumstances, that if you lost this Hoboken contract that you would lose \$30,000 a year. A I beg your pardon? If who lost what?

Q I assume that you never said to the Ippolito's, you, Tony or Chester, that if you lost the Hoboken contract you would lose \$30,000 a year. You never said that? A I would lose or they would lose?

Q You would. A That if I lost it?

Q That's right. A I would lose \$30,000? Get that question clear again. What you're saying, Mr. Jones, is --

Q I'm saying, did you ever say that if you lost the Hoboken contract you would lose \$30,000 a year? Did you say it, did Chester say it, or did Tony say it? A Well, that could be very possible that if we lost the contract in Hoboken it would be a loss.

Q Did you say it? A I think it's only natural that if we lost the contract we would lose.

Q All right. So then, you did say it? A Not specifically, I don't recall.

Q Not specifically. A No. I don't recall the \$30,000 figure.

Q You don't recall Chester or Tony saying anything to that effect? A I don't recall it at all in the discussion but it is very possible, Mr. Senator.

Q You don't recall it but it's possible.

A Yes. Anything could be possible in this discussion.

Q I see. I'm beginning to think so myself. Now, let me ask you this: Did you offer to take any of the Ippolito's

over to East Paterson?

A Was this the night of the meeting? the discussion that we had?

Q Yes. During this discussion did you offer to take them over to East Paterson?

A Not to my recollection at this moment.

Q Well, did Chester or Tony?

A Take them to East Paterson?

Q Yes.

A For what reasons? Senator.

Q To look over the town and the contract and to arrange for assignment, subletting or turning over?

A Not to my knowledge.

Q Not to your knowledge. Is that also true of Chester and Tony?

A I believe so. I don't recall but anything is possible in this discussion.

Q All right. Did you offer to let them take over -- did you offer to do the same for them in New Milford?

A The same answer.

Q The same answer. Anything is possible.

A Anything and everything was discussed, Mr. Senator.

Q So that you do not then deny these statements were made, you say that these statements and any other statements were possible. Is that true?

A Anything was possible in this discussion and I bear out again that there was no arrangements made to fix or otherwise arrange the Hoboken contract.

Q Well, let me ask you this: Did you offer to assign, sublet, or turn over the Hoboken job to the Ippolito's for \$154,000, if they would let you take the Hoboken bid for

\$200,000? A Mr. Senator, what guarantee did I have that I was going to get the contract in Hoboken for two-twenty?

Q You answer that. A I don't know who's bidding this contract. It's very amusing right here that I should offer people work where I don't even have a contract and I have no intentions -- it looks very gloomy to me that I was going to get any contract.

Q All right. Now, just answer the question, a very simple question. A Anything may have happened during this discussion, Mr. Jones, but I don't recall any specific offers, as you put them, "offers." There was discussions of all types.

Q Right. You said that before. But now the question is - now, remember, we've got one question that you haven't answered and I want you to keep that record, if you can; don't add to it. Did you offer to assign or sublet or turn over to any of the Ippolito's the Hoboken contract for \$154,000 if they let you take the Hoboken bid for \$200,000 per year. Now, the answer to that is a simple one, you either did or you didn't.

 A In the matter of discussion it may have been brought out in that fashion but there was no offers, Mr. Senator.

Q O. K. So that your answer is that that language did take place, in substance, in this discussion between the Iommetti's and the Ippolito's. A Well, I don't recall exactly what the discussions were to the exact point.

Q Right. But in substance -- A There was discussion on those particular contracts.

Q So, in substance, there was language to that effect.
Right? A "In substance," what do you mean by
"in substance"?

Q This is one time when I will ask you to talk to your
Counsel. A I did ask him. He told me to ask you.

MR. KIEFER: He doesn't understand the
question, your language.

SENATOR JONES: O. K. Now, let's go back.
Let's put a --

MR. KIEFER: Mr. Jones, may I point out,
respectfully, that it's now 1:25 and common courtesy -
there is some time when everybody goes out to lunch,
and I assume that even Senators wish to eat.

SENATOR JONES: Sometimes we are more
interested in the truth.

MR. KIEFER: That may be, but the witness is
at your disposal.

SENATOR JONES: Let's get along.

Q Language between the Ippolito's and the Iommetti's
did pass which, in effect, - as far as the Iommetti's were
concerned, they did offer to assign, to sublet or to turn
over to the Ippolito's for \$154,000 the Hoboken contract if
they let the Iommetti's take the Hoboken bid for \$200,000.
Now, can you answer that yes or no? A I say again,
Mr. Jones, that there was no offers. There was discussion
back and forth, and all types of discussion. And I will
state again that there was no arrangements made and there
was no fixing of the Hoboken contract, and I had no knowledge

of how many and who was bidding Hoboken.

Q Right. But as far as -- we'll take out the word "offer" then. If you say it wasn't an offer, nevertheless you used such language to the Ippolito's at the time of that meeting. Did you not?

A I don't recall, sir. Maybe, "how would you like to have this job?" or something like that. But I don't believe any particular job, which was made both ways --

Q No, we're talking about Hoboken now. Let's stick with Hoboken. Was there language that suggested to the Ippolito's that if you would take the job - if they would let you take it for \$200,000 you'd turn it over to them or assign or subcontract it to them for \$154,000?

A I don't believe there was any assignment or subcontracting, to my knowledge. Assignment or subcontracting - I don't --

Q All right. Then, that language wasn't used. But there was the "turn over" language? You'd let them do the work?

A I don't recall any discussion. There was discussion of all the contracts.

Q You don't recall whether you said that or not?

A No, not those exact words.

Q Well, what were the words, as closely as you can come to them?

A I don't recall them. There was discussion, that's all.

Q There was a discussion about that.

A There wasn't discussion only on particular contracts, there was discussion that went on on other matters also; as I said before, the Association, unions, trucks, and so forth; and there was no offers and there was no arrangements.

SENATOR JONES: All right. We'll take a recess now until 2:15 and you will come back to the stand, Mr. Iommetti.

(Recess for lunch)

(AFTERNOON SESSION)

P O M P E O I O M M E T T I, resumes the stand.

BY SENATOR JONES:

Q Mr. Iommetti, in this conversation between the Iommetti's - you and your brothers - and the Ippolito's, did you ever point out to them that it would cost them \$30,000 if they didn't take your contracts in East Paterson and New Milford? A If there was a \$30,000 loss to who?

Q To them. A If they didn't take --

Q If they didn't take your proffer of the New Milford and East Paterson contract, that they would be losing \$30,000 a year. A I don't recall this discussion.

Q You can't recall making that statement? A No, sir.

Q Did Chester make it or Tony make it? A Not to my recollection.

Q Not to your recollection. Now, incidentally, did you say or did Tony or Chester say on the Hoboken bid that all deals were off if Stamato bid the Hoboken contract?

A Mr. Senator, I stated before, there was no deals. There was no arrangements, no fixing, regardless of Stamato or anybody else.

Q O.K. So then you did not say that if Stamato bids, all deals are off? A In the course of the discussion anything and everything could have been said, Mr. Senator. But I don't recall those exact words.

Q Well now, in effect you are telling me that that was said, but -- A I didn't say it was said.

Q -- this is a part of "amusing and confusing," isn't it?

A It was very amusing and confusing and I did not say that the statement was made.

Q You don't say it was made. A I don't say "no" and I don't say "yes." It could have been made, the statement or any other statements or discussions. There was no offers and there was no arrangements or no fixing, Mr. Senator.

Q Well, did you in the course of your discussions with them, that is the Ippolito's and the Iommetti's.-- I will withdraw that. Did they ask you what guarantee you could make in connection with East Paterson and New Milford? A I don't recall any guarantees that were made or any guarantees of any nature.

Q And that is also true of Chester and also true of Tony? A Yes, I believe so.

Q Now, when we talk about guarantees, were there any personal guarantees proffered by you or your brothers to the Ippolito's? A I don't recall any guarantees made, Mr. Senator, personally or otherwise.

Q Personally or otherwise. And that is also true of Chester or Tony? A To the best of my recollection, it is.

Q Now, when you bid the Hoboken job the first time, what was the amount of your bid? A In the neighborhood of \$220,000 a year.

Q How much? A \$220,000 a year - 219 something.

Q \$220,000 a year for three years? A I believe we bid it right straight across, one, three, and five.

Q So It was a \$600,000 bid that you made for Hoboken, right? A Just a little bit short of that mark, yes.

Q And who bid against you at the time in the first bid?

A There were several, I believe, Mr. Senator: Ippolito's on the first bid, Stamato, the Roselle Company.

Q Roselle. A And I believe there was one more.

Q Malanka? A Malanka, right.

Q Now, who was the second bidder in the first bid?

A I believe there was three contractors low.

Q Who were they? A I believe Stamato was low on the one year, Ippolito was low on the three years, and Iommetti was low on the five years.

Q And where were you? A What do you mean, where was I?

Q In relation to those three low bids? You were the highest or the next -- A On an average cost per year, we were high.

Q You were the highest? A I beg your pardon. We are talking about the low bidders?

Q Yes. A The highest of the low bidders, right. Mr. Jones, we were low only on the five-year bracket.

Q Only in the five-year one. It was awarded at three years so let's take it at that. At three years, the Ippolito bid was \$462,000, right? A It sounds reasonable, yes.

Q -- Stamato was \$463,500, right? These are all at three years. A They sound correct.

Q All right. Fair enough. Now Roselle didn't bid for three years, did he? A I don't recall. I don't believe so now that you mention it.

Q O.K. Iommetti and Sons was \$ 659,850 for three years, right? A Who was 850?

Q \$659,850 was your bid for three years, Iommetti and Sons. A It sounds reasonable.

Q And Malanka was \$720,000, right? A Just a minute.

Q -- for three years? A Maybe I can get these figures before me.

Q Go ahead. (Witness refers to papers.) You are still on the first bidding?

Q I said Malanka and Sons was for \$720,000 and you had some doubt. \$720,000; is that right? A Yes.

Q Now, in effect then Malanka was the high bidder and you were next to high, right? A On which alternate?

Q Three years. Remember, I am keeping this to three years. A Right. I am next to high, yes.

Q You were the high bidder on a one-year basis for \$250,000. That exceeded everybody else. A No, I wasn't. That is Malanka.

Q Oh, I beg your pardon. You were next to high bidder on the one-year basis. You were \$219,000. A I am third high or I am third low. I am third on the one.

Q That's right. Roselle is more than you. A That's right.

Q O.K. Now, that bid was made as a result of conferences as I understand it between you and your brothers, right?

A Yes.

Q And it was made as a result of your general knowledge of costs and your general understanding of what it took to

discharge the obligations of the job, right? A More or less.
This discussion also included my accountant.

Q And your accountant. And you had already had experience with the town because you had the contract for the three years prior, right? A That's right.

Q So that the three of you came to a conclusion that in order to run the job at a reasonable price for yourselves and for the town you should make a bid of \$659,850, right?

A That's right.

Q Now, that as far as you were concerned was a reasonable and proper bid? A I think it was reasonable and it, of course, included a profit to our company.

Q Of course, it included a profit. How much of a profit did it include to your company? A We are right back to the original issue on this, Mr. Senator.

Q But you are never going to avoid that with me. In other words, that is a part of the original issue.

MR. KIEFER: Mr. Jones ---

SENATOR JONES: If he is going to take that position, I will withdraw it so that we stick to the original --

MR. KIEFER: May I say this, Mr. Jones: Which-ever way the Committee rules on that one question, we would follow then the ruling of the Committee and anything of a similar nature. We are not trying to be obstructive here, but we feel there is a basic ---

SENATOR JONES: Counsel, remember this: I have already ruled that he has to answer and I have already

ruled that it is pertinent and proper and I have already ruled in behalf of the Committee. Now, we have been all through that and there is no sense belaboring it.

MR. KIEFER: That's right.

THE WITNESS: Just a minute.

SENATOR JONES: He will have to stand or fall on his position there.

THE WITNESS: Just a minute, Mr. Senator. May I speak to Mr. Kiefer?

SENATOR JONES: All right.

(Witness consults with his counsel.)

THE WITNESS: I will answer your question, Mr. Jones.

Q O.K. Proceed. A In relation to our bid, of course, the corporation had bid it, including salaries of the corporate officials, moderate salaries, but not including unforeseen expenses. I believe in our bidding, we included between 10 to 20 per cent profit.

Q Between 10 to 20 per cent profit. A To the best of my recollection.

Q -- plus salaries to your brothers. A I would say moderate salaries.

Q Moderate salaries. A \$100, \$125 a week.

Q Then, as I understand it, between 10 and 20 per cent profit and drawing of moderate salaries for you three brothers, the rest of this contract was all cost, is that right, and attributable to cost? A It would be attributable to cost and other contingencies.

Q And what? A Other contingencies. I don't have an exact breakdown.

Q You'd better tell me what you mean by other contingencies because that is a very interesting word, that contingency business. Now, what do you list as other contingencies when you bid a contract?

A We will say to the best of my knowledge that is the cost.

Q All right. We are withdrawing this business of contingency. A Right.

Q O.K. Now, the first bid -- A Mr. Jones, on these contingencies, I want to say that these contingencies may come over a period of three years within that profit. In other words, there may be other expenses - legal fees or some other expense that may come in and that is the point --

Q Your contingencies would not relate to cost; your contingencies would relate to reducing your profit of 10 to 20 per cent, is that right? A Yes.

Q And those contingencies as you understand them would be legal fees - what else? A You could have increase in dumping, increase in equipment, increase in labor. There are many fields of increased costs relating to the garbage collection.

Q O.K. Now let me get on. You lost that first bid. It was awarded to Ippolito and you brought a suit and you were successful in that suit, right? A We brought a suit as a taxpayer of the City of Hoboken and it was set aside.

Q And it was set aside on what ground, that there was a lack of compliance with the specifications relating to a dumping permit, is that right? A And others.

Q And other things?

MR. KIEFER: And equipment.

Q And equipment. O.K. Now, the next time that you bid, what did you bid? A \$209,000.

Q And that was for what? A We bid it one, three and five.

Q So you bid for the second time \$627,000 for a three-year bid, right? A That's right.

Q And Ippolito bid \$500,000. And this time Rotundo came in and bid for \$459,000, right? A That's right.

Q Now when you bid the second time, what did you do by way of calculating your bid that caused it to be a reduction of the difference between 627 and 659, roughly? A Well, in estimating - I don't recall the exact data on estimating - but I assume here that we were taking less profit and perhaps there could have been made arrangements for reduced costs on one phase of the operation.

Q Now what did you reduce your profit to then on your second bid? A I don't recall.

Q You don't recall. What was the reduction in costs that you are talking about that made you reduce it? A Well, there is an open truck involved on the main street. Perhaps on the second bidding we could have obtained a fellow that picks up cardboard and resells it and perhaps he could have done some of that work. I don't know if that was the exact --

Q -- fact. A -- what the figures exactly came down to, but that was considered at the time of reviewing these bids.

A And after you arrived at that amount, was that then considered a reasonable bid by you and your brothers, one that would be reasonable to yourselves and reasonable to the borough? A For us, it was reasonable, and that is the amount of money we wanted to carry out the contract.

Q Now, you couldn't see any way of doing the job any cheaper, is that it? A Any cheaper than what we bid?

Q Right. A There may be ways of doing it cheaper. Evidently some other people are interested in doing it cheaper. We lost it. That's the price we wanted to do the job.

Q That is what you wanted to do the job? A That's right.

Q Well then, there are other ways of doing the job cheaper; is that what you are telling me? A Efficient operations and cutting costs. Every operation - each individual contractor makes his own costs on his own operation. I am only considering mine here on my bid.

Q Right. Well then, you are suggesting that the job could have been done cheaper and worked as a job as it relates to another contractor, right? A I don't know how other contractors figure. I am figuring my costs and if they underbid me, that's for them to decide.

Q Is it your opinion that the job can be done for \$152,000 a year? A Is it my opinion that it can be done?

Q Yes. A It is possible. I wouldn't want the job

at that price.

Q You wouldn't want the job, but it can be done at \$152,000?

A I didn't say it can or it can't; I don't know.

Q You don't know. Well now, you surely don't mean that you don't know, do you?

A I would say it can be done.

Q It can be done. A -- or it is up to the operation. I don't know who is going to do it, but I wouldn't want it for that price.

Q You know who is going to do it, don't you? A I imagine Anthony Rotundo is going to do it.

Q Anthony Rotundo is going to do it and you don't question that the job is going to be done for \$152,000, do you, and can be done and will be done, do you?

A I believe the job is \$153,000.

Q I am very happy to take the correction, assuming you are correct.

A I feel that Anthony Rotundo has submitted a bid on his own here. These figures are his own figures. He has had experience in garbage for twenty odd years. He is familiar with the Hoboken job as foreman with me, and I believe he has made his own decision that he can possibly do the job for that kind of money.

Q You have confidence that he can too. A Definitely, I have.

Q You have confidence -- A -- that he can do the job, right.

Q -- for that amount of money. A Well, that is a question of figuring and he figured his price; I didn't make it.

I am definitely sure that he could do the job, regardless of what the money is. I don't know how he figured the job.

Q No. But you feel that he can do the job for \$153,000 a year, don't you?

A I would state for performance he would be an expert in collecting garbage.

Q So that there isn't any question in your mind then that this job can be done for \$152,000 a year as Rotundo proposes.

You have been in the garbage business.

A I don't know what profit Mr. Rotundo has figured and I don't know what type of operation he intends to use. I don't know if he has three officers in his company, which I don't believe he has. He may not have expenses that we have included in our bidding.

That is for him to decide on his bidding.

Q And you haven't made any investigation of that fact at all as it relates to Rotundo and his capacity to do the job and make a profit?

A Have I made an investigation?

Q Yes. A I feel confident he has enough experience and know-how to do the job.

Q And make a profit. A Profit - I wouldn't know what profit he has figured or is assuming to make.

Q All right. But you have investigated it, haven't you?
A I have investigated Rotundo's operation?

Q Yes. You have investigated Rotundo's capacity to do this job for \$153,000, haven't you, you and Chester and Tony?

A By the word "capacity" do you mean experience? I believe he has experience.

Q His ability to do this job and to perform it pursuant to contract documents.

A I believe that Anthony Rotundo

will perform the contract.

Q Without default. A Without default.

Q All right. And you made an investigation of that, didn't you? A I believe that he is capable of performing this contract without default to me or risk to me or default on his part. It may cost him money. He may make a profit. That I don't know.

Q Right. In other words, before you went any further in connection with this job and this performance bond, you and your brothers made very sure in examining this job that he could perform in accordance with contract documents, didn't you? A We made --

Q If you didn't, just say so. A We made certain that Rotundo would perform according to the documents?

Q Right. A I feel confident that Rotundo will perform ---

Q You have said that. What I want to know is: Did you and Tony and Chester investigate his capacity and his ability to perform pursuant to contract documents. A Excuse me.

(Witness consults with his counsel.)

(Witness continues) I will answer this way, Mr. Jones, that I felt confident that Mr. Rotundo had resources of his own, he has had the experience, and I think he can perform the job.

Q Well then you did make some type of a preliminary investigation on this point, didn't you? A I don't know if it is investigation or just common knowledge I believe that I had. This fellow has been with me for several years.

Q You just had common knowledge; is that all that you say you had? A I know he owns trucks, I know he owns a house,

material of that nature. I know that.

Q Do you know what the mortgage is on his house?

A I didn't have to investigate it.

Q Do you know what the mortgage is? A I don't know what it is.

Q Do you know what the mortgage is on the trucks?

A On his trucks?

Q Yes. A Offhand I don't know.

Q Do you know what debts he owes? A No, sir.

Q Do you know any liabilities of any kind he may have?

A His liabilities, I don't know.

Q You don't know anything about them. Do you know anything about his assets and how much money he has in the bank?

A No, sir.

Q How much cash he has got? A Do I know how much cash he has got?

Q Yes. A No, sir.

Q Do you know how much accounts receivables he has?

A Accounts receivable. He may have some from me - maybe some private work he has. I don't know.

Q About how much? A I wouldn't know.

Q You wouldn't know. So then it is true that what you did was to just simply out of common knowledge loaned this man all your assets, you and your brothers and your companies, you loaned this man all of your assets without investigation and pledged them to the performance of this contract. A I would say that we have not put all our assets behind this fellow. In case of a default, Mr. Senator, whatever it cost

the bonding company to complete is the only amount that is in jeopardy, not my entire assets.

Q Well, whatever it costs to complete. Nevertheless the --
A -- in case of default.

Q (Continuing) -- amount of liability is \$153,000 a year, isn't it? A Yes. I would think on the bond it is \$200,000.

Q Is that what it is, \$200,000? So you have had to pledge your assets to the extent of \$200,000. A Not necessarily. I don't figure it that way, Mr. Senator.

Q That is the condition of the bond, isn't it? A The bond required was \$200,000, but you must assume that Rotundo's assets and the other indemnitors and ourselves are only in debt for the amount that it cost the bonding company, not for \$200,000.

Q Right. And if Rotundo and everybody else, beginning yesterday, divested themselves of their various and sundry assets, whatever they may be, your liability would be \$200,000 on that bond. Is that right or wrong? A No. I wouldn't say so.

Q You wouldn't say so. A It is my opinion that the bonding company would call someone in and perform if there is a default and the difference in the cost, that would be what is liable on the bond.

Q Right. And is that your theory of your liability then? A Our liability in my opinion would be divided among the indemnitors and Rotundo himself first on the amount in excess of his contract which is paid to complete the performance of the

contract.

Q And these indemnitors - your liability is only as good as the condition of their assets at the time you are called upon, isn't that right? A Conditions of their assets?

Q Right. If they haven't any money, the insurance company is going to look to you, aren't they? A If they have no money, they would look to me.

Q Right. So in effect then you pledged the \$200,000 bond. You guaranteed the \$200,000 bond to the Globe Indemnity Company for Rotundo without making any investigation of his assets or those people who were co-indemnitors with you? A I wouldn't say that we are going \$200,000 bond on Rotundo. Primarily he is the bidder and the bond is written on Anthony Rotundo.

Q Yes. A We are indemnitors. You are drawing a conclusion of default here.

Q I am drawing a simple conclusion which is this, that in the event of any default -- A In the event of default.

Q Right (Continuing) -- which hasn't taken place yet, you have a liability which is no longer contingent, but direct and fixed. A Not in the amount of \$200,000.

Q Whatever the amount is as of the given time. The full extent of the bond is \$200,000, right? A Right. I feel that this \$200,000 bond placed there would automatically have to be covered primarily with Anthony Rotundo's statement of assets, his other indemnitors and ourselves.

Q You never made an investigation of his assets. What

do you know about his assets? A I don't have to know his assets, Mr. Jones. This fellow has been in business for a number of years and as far as I am concerned he is responsible and he can perform that contract.

Q So you pledged \$200,000 of your personal assets and your brothers' and your companies' or any lesser amount, without investigation, to Rotundo because you know that he can deliver and dispose of garbage. A I wouldn't say without investigation. There has been no specific investigation.

Q There has been no specific investigation. A But I know the man, I have known him for a long time, and as I said before, he has been collecting garbage for over twenty years.

Q All right. Now let me ask you the next question. Who was it that told you that Rotundo could not get a bond on his own? A Well, when I came from getting the specifications from City Hall, I was at the Hoboken garage and I discussed the specifications which I had picked up with Anthony Rotundo who was our foreman and I told him that we were in a position there that the specifications were changed to have Ippolito comply with his dumping - what he had submitted in the previous bidding that was ruled out - and I says to him - I told him that I don't see how I can come even close to Ippolito's bid and he at that time indicated to me that if I assisted him, he would like to make an endeavor to present a bid to the City of Hoboken on his own. And at that time I agreed to assist him for gain.

Q For gain. A For me, for gain.

Q All right. Now at that time he knew and you knew that Ippolito's bid previously was \$154,000, right? A At that time we did not discuss prices. I imagine that he was familiar with the previous bidding and that was his decision of whether he was going to bid in the final analysis all the way down.

Q O.K. But at least you both knew then that it was a \$154,000 bid that Ippolito put in? A I think he was aware of the fact and so was I that the bid was 154.

Q The next question is: After having told him that you would help him bid, which you have already testified to, who ultimately told you that the help was necessary? Did Rotundo call you and say "Pompeo" - or what do they call you - Pete? A Pete.

Q "Pete, that promise of yours, I'm ready to pick up." Did he tell you that or did the bonding company tell you that? A To the best of my recollection, Senator, it was a telephone call from the bonding company.

Q The bonding company. You had talked to Falk as a matter of fact and told him that you would stand by Rotundo and that you wanted him to pre-qualify in this bidding, hadn't you? A I told Mr. Falk that we would assist if necessary.

Q All right. So that Falk then called you and said "Rotundo doesn't meet the requirements for obtaining a bid." Is that right or wrong or what did he say if that is wrong? A I don't recall what he said.

Q You don't recall what he said. A Two bid bonds were issued by the Globe.

Q You don't recall his telling you in any effect that

as far as Rotundo on his own was concerned, the Globe Indemnity Company would not issue him a performance bond? A The company eventually - but I don't think Pete Falk told me. Eventually somebody from the company - I don't know exactly who - it may have even been Pete Falk - says that we would have to go on as indemnitors and I agreed that we would.

Q All right. Now let's stop. The reason they said you would have to go on as his indemnitor was because they wouldn't issue a performance bond to him direct; isn't that right? A That I don't know.

Q Well, if you don't know that, why did you guarantee or agree to indemnify him for loss? A I don't know how the bonding company came about their decision.

Q Well, you know that they decided not to issue a bond to Rotundo, don't you? A The bond was never denied to my knowledge.

Q Are you suggesting that Rotundo could have gotten a bond on his own without your help? A I am not suggesting anything, but it is very possible and being that the fact that we agreed to assist, the company would be in a better position if they included Iommetti anyway even if he could get it on his own, being that the offer of indemnitor agreements were made.

Q Are your relationships so close with Rotundo that even if he could get a bond on his own, you would want to be his indemnitor or guarantor in connection with the performance of a contract of almost a half million dollars? A What do you mean "close"? I don't get the relationship.

Q You make me stretch for the exact numbers, which is perfectly proper. \$459,000, to be exact. Now, answer the question. A Right. Now, what is the point you were trying to make?

SENATOR JONES: Repeat the question.

(The stenographer repeats the question as follows: "Are your relationships so close with Rotundo that even if he could get a bond on his own, you would want to be his indemnitor or guarantor in connection with the performance of a contract of almost a half million dollars?")

SENATOR JONES: And we corrected that to be \$459,000, so you have an exact question.

THE WITNESS: This had no relationship with Rotundo. This was a committal that I had made to the Globe saying that if necessary, we would indemnify. And the Globe, I feel, assumed that it would be better for them or for the company if they did get them if they were needed or not. I don't know what decision - whether the company would have issued on Rotundo alone. That I have never asked and I don't care to ask.

Q You never asked them whether they wouldn't issue it on Rotundo alone? A No, sir. I was asked to go on it and I went on it.

Q You didn't make any effort to have the Globe issue the insurance directly to Rotundo without your guarantee and your brothers' and your companies'? A That was the original application, that he should go on his own. If not, we would indemnify along with these other people. But how the

company made their decision, I don't know, and if we were necessary or not, I don't know. We were asked to go on it and we did.

Q And within that framework of a reply, you put yourself on an obligation, a three-year obligation, for \$459,000.

A I don't think the obligation is that amount.

Q -- \$200,000 as far as the bond is concerned, right?

A I don't believe it is \$200,000 either. As far as obligations are concerned --

Q That is the face amount of the bond. A As I said before, the amount of the bond has no bearing on the amount of the loss if there is a default, in my opinion.

Q In your opinion. Well now, the question then still remains unanswered and that is that in addition to not investigating the condition of Rotundo's assets and liabilities, you now say you never investigated with the Globe Indemnity whether or not a bond would or could be issued to Rotundo alone. You didn't? A I feel that the position that the company was in - it would be only to their advantage, being that the offer was there to assist, you may as well get Iommetti in there.

Q All right. And I can understand that as a company point of view. But I am asking you what happened? Didn't you make any inquiry as to whether Rotundo could carry the bond on his own? A I don't believe I did, Senator.

Q No. You just simply proffered them the assets of your company to the performance, in effect, of the Hoboken contract. A It still bears down to the fact of how

much loss may be involved - may be - plus the fact, Mr. Senator,

as I said before, we went on as indemnitors here for gain and that gain may be in equipment sales, it may be for leasing of our Hoboken garage, which I didn't want to be in a position of having an empty garage and empty trucks, and I think I could see the light that we were going to lose the job in view of the fact of the specification changes and I didn't care to go anywhere near that price on a rebid. Therefore, if I could assist Rotundo, I would have a gain in releasing equipment and renting the garage.

Q Well now, didn't you at one time with Ernest or with the Ippolito's generally make an estimate that the cost of the Hoboken job was \$169,000? A You are getting back to the discussion in my office.

Q Right. A All types of figures were discussed and I would have told them it cost a million dollars to do the job. I would have told them anything, Senator.

Q You would have told them anything. A In fact, the discussions, I don't recall exactly what was said, but anything and everything may have been said at that discussion.

Q So that you then don't deny that you could have estimated the job at \$169,000 to Ippolito? A I don't deny it, sir. It may have been said; it may not have been said. And whether it had any bearing on bidding, that I don't know.

SENATOR JONES: O.K. Go ahead, counsel.

BY MR. GROSS:

Q Mr. Iommetti, you mentioned before that the reason why

you agreed to indemnify Rotundo on this bond was that you were going to get some gain as a result. What was that gain?

A I think I just explained the gain - sale of equipment and the leasing of our Hoboken garage.

Q Now, you have subcontracted out jobs to other individuals, other contractors. Have there been any jobs in which you actually performed the work when the bid had been awarded to some other contractor?

A I would like to make it clear for the record, Mr. Gross, when you speak of subletting or assigning, to my knowledge the only contract that was ever assigned or sublet was the Township of Union to Roselle. And Hoboken and other municipalities where we hire people to work for us, we do not assign or sublet the contract. We are in full responsibility and all obligations on the job are ours. We have never relinquished our obligation. In fact, on all these jobs not even one yard of garbage could be moved without direction or payment by Iommetti. I want that clear for the record.

Q Do your books --- A We have hired other people if that is what you want to ask me.

Q Do your books and records of your corporation or firm refer at any place to subcontract to Rotundo or to any other individual aside from Peter Roselle and Sons on the Union job?

A You are using the word "subcontract," Mr. Gross.

Q I said do your books use the word "subcontract"?

A Do my books?

Q Do the books and records of your firm use the word in description "subcontract" at any point?

A That may

be a matter of bookkeeping. But the word "subletting" or "assignment" has never appeared or should not have appeared in the progress of our work.

BY SENATOR JONES:

Q What about "subcontract"? A I beg your pardon, sir.

Q You answered him about everything else but "subcontract."

A He has asked me about a listing in our columns of the books, Mr. Senator. There may be a listing of subcontract, but there has been no subcontracting or assigning to my knowledge outside of the Union Township.

Q In other words your books call it subcontract, but you don't call it subcontract. A Whatever the girl in the office wants to put on top is O.K. with me as long as the records are clear.

Q Whatever who? A The bookkeeper in the office or the girl or whoever is preparing these books. If they want to call a heading something that they are familiar with or to the best of their knowledge that's what it might be - I would never consider it such.

Q And you would never correct it as such? A I beg your pardon.

Q You would never correct it as such? A I would if it was brought to my attention, I believe.

Q You would if it was brought to your attention? A Yes. This is just a matter of bookkeeping. There is no agreements here relating to subcontract or assigning. This is a heading of bookkeeping, Mr. Senator.

Q Well, let's not argue about that. In any event, you

heard Chester say that you are in charge of the books and that you are the fellow that knows all about the books, didn't you?

A When you talk about knowing all about the books, Mr. Senator, you have to understand that no officer knows every minute detail of a book. When you have people making entries and making reports and so forth, I don't think it is reasonable to request any officer to know in minute detail every item. I am familiar with our business and our records.

Q And you don't think it is reasonable to have it called to your attention that your books under your supervision and under your control as president or as a secretary or as a treasurer of your various business associations - you don't think it is reasonable for this Committee to call to your attention that your books say "subcontract"?

A Now, you may call it to my attention, Mr. Senator. I didn't call it "subcontract." A bookkeeping personnel may have called it "subcontract." I have never called it "subcontract." It may be in our books; I said that.

BY MR. GROSS:

Q Mr. Iommetti, during 1956, '57, and '58 in the Hoboken job, who paid the payroll?

A When you say "Who paid the payroll," we have a payroll in the Paramus garage which is paid by Iommetti.

Q Who paid the payroll for the drivers and for the pick-up men on the actual route in the Hoboken job, 1956 through 1958?

A Some of them have been paid by Anthony Rotundo and some of them have been paid by Iommetti through the Paramus

garage whenever they needed it. When they needed assistance and trucks and labor, they were sent from the Paramus garage.

Q Do you have your unemployment compensation and social security records for the drivers and pick-up men on the Hoboken job, 1956 through 1958? A I don't think our records would distinguish where they worked.

Q Do you have records of any employees who worked for you, that is, the Iommetti's, from 1956 through 1958 for members or men who were working on the Hoboken job?

A As I say, Mr. Gross, there is no stipulation of where they worked.

Q Do you have any record of any man who actually was working on the Hoboken job? A All my men at some time or other may have worked in Hoboken.

Q During 1956 through 1958? A During that three-year period every one of them may have been at some time or other in Hoboken.

Q But some of those payrolls you say have been paid by Rotundo? A That's right.

Q Was he expected to pay payroll out of \$118,000 in 1958? A Was he expected to pay payroll out of it? He is supposed to pay a certain amount and I would state for the record here that \$118,000 does not represent the cost of the Hoboken contract.

BY SENATOR JONES:

Q Cost to whom? A To us.

Q Well now, as long as you are looking for difficulties, we might as well pursue them. You had nine men employed to do the three towns or four towns that Chester testified to in

Bergen County; isn't that right? There was Little Ferry, as I recollect, East Paterson -- A Yes, nine men, but not limited to ---

Q Those four towns, as I recall it, took nine men. One was an open-dump truck. A I beg your pardon.

Q One of them was an open-dump truck. There were eight men involved with the Pack-A types and one man on an open dump.

A Which contracts are you talking about?

Q -- doing the Bergen County contracts. A There is no open trucks, Senator.

Q No open trucks.

SENATOR JONES: I think a more orderly way to do this is to await Mr. Rotundo's being called to the stand. You will have to stand on your testimony as you have given it.

THE WITNESS: Are you through with me?

SENATOR JONES: Not yet.

THE WITNESS: Oh, I'm sorry.

Q You say that the Hoboken job cost you more than \$118,000 per year that you paid to Rotundo. Do you mean that you paid Rotundo more than \$118,000 a year? A Other expenses. The way it appeared in the newspaper, Mr. Senator, it showed that Iommetti made an exorbitant profit. You have dumping expenses and you have other expenses, not necessarily to Rotundo.

Q Not necessarily to Rotundo? A There may be equipment advantages to Rotundo besides monetary.

Q Equipment advances? A Advantages.

Q Now, what equipment advantages would there be?

A Well, he had three trucks, I believe, that we sold Rotundo

some time ago and there was arrangements made for payment of these trucks and I believe he paid about half and he got the gain of half of the cost of those trucks.

SENATOR JONES: Mr. Kiefer, I think that it is only fair for me to tell you that Mr. Iommetti's testimony impels the necessity as far as I am concerned and the conclusion as far as I am concerned that you had better produce all of the checks of the corporation, all cash payments of the corporation, cancelled checks ---

MR. KIEFER: What is this?

SENATOR JONES: I want for all of the business enterprises including Chester, Tony, and Pompeo, personal and corporate and business association, all of their cancelled checks. I want all of their cash payments beginning with the Hoboken contract in 1956 and I want all of the payroll records and I want all of his payments to unemployment compensation and social security. I want all of his payroll records to workmen's compensation, DTI, temporary disability as well. And on that note he will be excused at this time from the witness stand. Yes, Mr. Kiefer.

MR. KIEFER: Just so we have some clarity, I notice you said all business enterprises. I assume by this you mean the partnership and M. Iommetti and Sons, Inc.

SENATOR JONES: Right.

MR. KIEFER: And their personal relating to the Hoboken - is it Hoboken?

SENATOR JONES: No. Relating to all their jobs.

I can't possibly do it any other way. I can't possibly do it any other way because he insists that he has employees that were on the Hoboken job and on the other jobs.

MR. KIEFER: Well, anticipating some questions about payroll, I brought payroll records with us today.

SENATOR JONES: All right.

MR. KIEFER: I don't know whether they are complete, however, and it might be better to do this in an orderly way.

SENATOR JONES: Good. You know what I want. We will excuse him at this time.

(Witness excused.)

SENATOR JONES: All right. Tony Iommetti.

TONY IOMMETTI, called as a witness, being
duly sworn, testified as follows:

BY SENATOR JONES:

Q What is your name, sir? A Tony Iommetti.

Q And where do you live? A S 94 Farview
Avenue, Paramus, New Jersey.

Q How long have you lived there? A Six years.
Six years and three months.

Q And prior to that, you lived where? A East
Paterson, New Jersey.

Q And you were born there too, I assume?
A Yes, sir.

Q O. K. Tony. Tony, did you attend the conference had
between Vincent Ippolito and Joseph Ippolito, with your
brothers, Pompeo and Chester? A I was there,
yes.

Q When did this conference take place? A It
was the night before the Hoboken bids.

Q Where did it take place? A Paramus,
New Jersey.

Q Where in Paramus? A At our office.

Q At your office. A Now, was anybody else
there beside the two Ippolito's and you three brothers?

A I don't remember. I don't think so.

Q Can you answer that better than that? Think about
it. Was there anybody else there besides the two Ippolito's
and you three brothers? A As far as I know there
was nobody else.

Q As far as you know. Now, were you in constant

attendance at the meeting? A What do you mean by "constant attendance"?

Q Well, you sat down and talked. A No, I didn't sit down.

Q Did you stay there from the beginning of the conference, throughout the conference, and did you leave when the conference was over? A I don't remember.

Q You don't remember. Do you remember whether you stayed there part of the time? A I was there part of the time.

Q What caused you to leave the conference? A I don't remember.

Q Well, tell us what was said at the conference. That's an easy question. A There was a lot said, I don't remember.

Q Well, let's start off. The only way you can make a lot a little is to start at the beginning. A I don't know how it started. I don't remember how it started.

Q Now, let's reduce a lot to a little. Start off. Did the Ippolito's come in and what was said? Let's start right from the beginning. A I don't remember what was said at the beginning. I don't remember.

Q You don't remember what was said at the beginning. How long did the conference last? A I don't know.

Q Well, how many minutes or hours passed before you remember something of the conference? since you don't recollect what happened at the beginning. A Well, I remember a discussion about names of different towns, things

like that.

Q All right. Good. What towns were mentioned?

A East Paterson, New Milford, Hoboken, Weehawken, and several others. I don't remember them all.

Q You don't remember anymore than those towns? but several others were mentioned.

A There was a lot of stuff mentioned.

Q A lot of stuff mentioned, a lot of towns mentioned, but these are the only towns you remember?

A I think Maywood and South Hackensack were also --

Q Maywood and South Hackensack. What other towns?

A I don't remember.

Q Well, let's start off with your list. What did they say about East Paterson? That's the first town you made mention of. What did they say about East Paterson?

A What did who say?

Q Anybody. You were there. I wasn't. A I heard that --

Q Who said the first thing about East Paterson?

A I don't remember.

Q You don't remember. Who said the last thing about East Paterson?

A I don't remember that either.

Q Well, who said anything about East Paterson?

A I heard something about East Paterson and New Milford had nine months to run. I heard that.

Q You heard that. And what else did you hear about East Paterson and New Milford having nine months to run.

A I don't know. I wasn't paying attention to the conversation.

Q You weren't paying attention. A That's right.

Q Is that all you heard and is that all you know about the conversation relating to East Paterson and New Milford?

A I don't know.

Q You don't know. You don't know whether that's all you know. A I don't know nothing.

Q You don't know nothing? A Well, I don't remember anything.

Q You don't remember anything. Well, let's move along. What about Hoboken? What did you hear being said about Hoboken? A I don't know.

Q You don't know. Well, who said anything about Hoboken? A Well, my brothers, Pete and the Ippolito's

Q Your brother Pete and who else? A I don't remember Chester. I remember Pete and Ippolito in a discussion.

Q All right. Now, what did Pete say? A I don't remember.

Q You don't remember what Pete said. That's Pompeo. A Right.

Q Well, what did Ippolito say? A I don't know.

Q You don't know. And that covers everything you know about what they said about the Hoboken situation. Right?

A I don't remember anything.

Q You don't remember anything. So that represents all you know about the Hoboken situation as it relates to the conversation that you were in on. A That's all I know.

Q That's all you know. What about Weehawken? You

said that Weehawken was mentioned. What did you hear them say about Weehawken? and who said it? A I don't remember who said anything.

Q You don't remember who said anything. Well, now, what did they say? A I don't know.

Q You don't remember who said it; now tell us what whoever you don't remember said. A I don't know.

Q You don't know. So that's all you know about the Weehawken situation. A I don't know.

Q You don't know. Is that right? A I don't know.

Q Well, now, what about Maywood? Who talked about Maywood? A I don't know that either.

Q Well, did Pete say anything about Maywood? Pompeo?
A I don't remember.

Q You don't remember. Did Chet say anything?
A I don't know.

Q I'm sure you didn't, did you? A No.

Q What did the Ippolito's say? A I don't remember.

Q You don't remember. Did they say anything?
A I heard them talking. I don't remember what they said.

Q So that's all you know about Maywood. Right?
A I don't know.

Q You don't know. How about South Hackensack. Who mentioned South Hackensack? A I don't remember.

Q Well, was it Pompeo or Chester, or yourself?
A I don't know.

Q You don't know. Was it any of the Ippolito's?
A I don't know.

Q You don't know. Do you recall what was said, even though you don't remember who said it? A I don't remember.

Q You don't remember. Well, what else do you remember about that conversation? Forgetting these towns, what else was said? A I don't know.

Q You don't know. In other words, you don't know what else was said about anything. A I don't remember. I wasn't interested in the discussion.

Q You weren't interested. A No, I wasn't.

Q And you don't have any recollection, then, of any other conversations in connection with anything else. Is that right? A I don't know what you mean by "anything else."

Q Well, now, look, Tony. You were there. This much you've said. As a matter of fact that's about all you've said. Now, what I want to know is, - and since you don't remember anything else that I've asked you in connection with the specific towns, I now ask you do you remember any other conversations, other than the ones you've already testified to, and if you do, what were they about?

A I don't remember any conversations.

Q You don't remember any conversations.

Q Do you keep the books of these corporations?

A I'm familiar with them, yes.

Q You are familiar with them? A Yes.

Q Which books are you familiar with? A Most of them.

Q Most of them. What do you do in this business association? What work is assigned to you? A There's no work assigned to me.

Q You don't get any work at all? A I don't --

(Witness confers with Counsel)

Q What do you do? A I'm more acquainted with the office and the building.

Q Building what? A Building sales.

MR. KIEFER: Billing.

Q Oh, billing. I beg your pardon. You mean that you see to it that people get charged? A Yes.

Q Incidentally, you have private scavenger work which is different from public scavenger work. What's the total income that you get from private scavenger work and how many accounts do you have? I ask you this question because you know all about billing. A Well, that's a pretty difficult question to answer. I can't remember all the accounts at this moment.

Q You can't remember all the accounts. A And we don't separate it. It's all in the garbage collection.

Q Well, do you know how much the total income is? A Total income?

Q From the private work. A Offhand I don't know.

Q Offhand you don't know. You don't have any rough idea of how much you take in in a year on the private accounts. A Offhand, no.

Q Well, now, you do billing for the corporation and you do office work. What else do you do? A Well, I work

in the shop also.

Q What does that mean? A Mechanic work,
parts, selling parts.

Q Anything else? A Anything that has
to be done. If no one's around, I'll try to do it.

Q Did you ever have any discussions with Iommetti, other
than this night before the Hoboken contract, Tony?

MR. KIEFER: You mean Iommetti?

SENATOR JONES: I beg your pardon; Ippolito.

A Repeat the question.

Q Did you have any conversations or conferences with
the Ippolito's, all of them or part of them, or one of them,
prior to March 17th? A I don't think so.

Q You don't think so. A No.

Q You never had any occasion to discuss anything with
them prior to that date? A I may have spoken to
Vincent Ippolito on other matters, not pertaining to
garbage collection.

Q Not pertaining to garbage collection. Now, you're
sure of that? A I think so. I'm not sure.

Q O. K. Have you told us everything you know, now,
about the meeting between the Ippolito's and the Iommetti's?

A I don't remember.

Q So you told us everything you remember. And you
had no other relationships with the Ippolito's prior to that
date in connection with the Hoboken contract? A I
don't think so.

Q Did you have anything to do with getting the Rotundo
bond? Did you have anything to do with that at all?

(Witness confers with Counsel)

A Well, in the sense of signing the indemnity, yes.

Q You signed the indemnity for the Corporation.

A And individually.

Q And for the individuals. Other than that, nothing?

A I don't remember anything.

Q Did you make any arrangements with Rotundo about indemnifying him?

A I don't think so.

Q Well, why do you say you don't think so? either you did or you didn't.

A I don't remember. I don't think so.

Q You don't remember, you don't think so. Did you have any discussions with any of the officials in Hoboken about the Rotundo bond or about the Hoboken contract?

A No, sir.

Q Not at all?

A No.

Q You're sure of that.

A I don't know the officials in Hoboken. I never saw them.

Q O. K. Now, did you have anything to do with estimating the cost of the Hoboken contract?

A I don't

think so.

Q You don't think so. You had nothing to do with -- well, let me ask you this: How long have you known Rotundo?

A Oh, four or five years.

Q Four or five years. And he has been running the Hoboken job - he ran the Hoboken job for the three years that you had the contract. Right?

A He was

foreman on the job, yes.

Q He was foreman.

A He ran the job.

Q He ran the job. Your trucks or his trucks?

A You're asking me, during the contract?

Q Yes. During the three years. During '56 to '59.

A Both.

Q Both. Whose name was on the trucks? A Some had ours and some had ours with his name as "owned and operated."

Q Now, you mean that some of the trucks had "Iommetti & Sons, owned and operated by Rotundo"? A I think so.

Q You saw these trucks? A I think so.

Q Are you, as an office man, in charge of the various reports that you have to make to the various departments of government? Do you take care of Social Security and Unemployment Compensation, Workmen's Compensation, etc.?

A The accountant takes care of that.

Q The accountant does that. In other words, you know nothing about that? A Well, the actual forms I know nothing about, no.

SENATOR JONES: You will be excused from the witness stand at this time. We will take a recess for ten minutes.

(Recess)

(After recess)

MARTIN COONEY, called as a witness,
being duly sworn, testified as follows:

BY SENATOR JONES:

Q What is your name, sir? A Martin Cooney.

Q And where do you live? A 48 Elmwood Road
in Cedar Grove, New Jersey.

Q And by whom are you employed? A The Royal
Globe Group.

Q Where are you located? A 91 South Harrison
Street, East Orange.

Q And what is your employment capacity with the Royal
Globe Group? A Superintendent of the Bond Department.

Q Superintendent of the Bond Department?
A That's right.

Q And how long have you been Superintendent of the
Bond Department? A It will be 2 years the 16th
of April.

Q Have you had any conversations with any of the
Iommetti's in connection with the issuance of a bond to
Anthony Rotundo, et al? A Yes, we did.

Q All right. Now, when did you have your first
conversation with the Iommetti's, and which one?

A Well, the first conversation was with our State Agent,
whose name was mentioned before, Pete Falk.

Q As your State Agent, is he a direct employee or
is he an insurance broker? A He's a direct
employee. He handles all of our agents in the Hackensack

area.

Q O.K. A That's the story there. I got the call from Pete, either Jack Tell or myself got it, - Jack is my Assistant - that they wanted to bid the Hoboken job.

Q That Rotundo wanted to bid it. A Rotundo wanted to bid.

Q Now, what was the date of that call, if you recall?
A Well, it was one day last week. It was Wednesday, I believe; Wednesday or Thursday of last week. A few days before the bid.

Q Well, the bid was March the 18th. A The 18th. That's right. Well, it was the week before that on either Wednesday or Thursday.

Q Well, a week before March 18th would be March the 11th. And what would the date be of Wednesday or Thursday?

A The 13th, I guess.

Q Roughly around the 12th or 13th? A That would be about right.

Q So that on March 12th or 13th you received this call indicating that Rotundo wanted to bid the Hoboken job.

A That's correct.

Q Now, what was the nature of the representation made to you? as best you can recall. A Well, as I say, I got the call over the phone that Rotundo wanted to bid and Pete had gone into the thing, had the experience of Rotundo, etc.; that he had been Iommetti's foreman on this Hoboken job the previous three years, and he wanted to bid the job under his own name. The first thing we ask for is

a statement, in addition to experience, etc. So, they told me they would get the statement. When they did get it, Pete read it to me over the phone.

Q Now, this is your employee Falk. A That's right.

Q Remember that Pompeo was sometimes called "Pete" -- A Yes.

Q -- and you better be careful about not involving Pompeo when he's not to be involved. A Right.

Q So, Falk - call him Falk - called you over the phone, when? A That's right. That would have been, I'd say, the next day or the day after; right in that area; the same week; by Friday.

Q Right. A And he said, "I have a statement - Rotunda," and read it to me over the phone. I said, "What's the approximate bid?" and he said, "Well, it will be under \$200,000." We never want to know the exact bid; we just don't want it in surety bidding. So, in reading the statement I said, "There's not enough there. We can't go along on that."

Q All right. So you told your employee Falk, then, as soon as he submitted the Rotundo statement, that you couldn't give him the bond. A That's right. Not without outside indemnities.

Q Not without outside indemnities. Now, what did Falk tell you the Rotundo assets were, on the phone?

A Well, we have a copy of it here.

Q Good. May I have it? A Sure.

Q In other words, what he told you over the phone was later borne out by the filing of a pre-qualifying bid?

A That's right. In other words, the statement Pete read to me - Falk read to me over the phone is the same as this one here.

SENATOR JONES: All right. We will have this marked.

(Statement received in evidence and marked "Exhibit 5.")

Q Now, Falk read this over the phone to you on about the 13th, or so, -- A Yes.

Q -- and this statement indicates that he had cash in the bank - \$689.69; cash on hand - \$11,000; and parts and supply inventory - \$10,417.50; prepaid expenses - \$1,743.47; trucks and equipment - market value - \$24,675; real estate - market value - \$28,000; or total assets - \$76,525.66. Right?

A That's right.

Q He had liabilities: Accounts payable - \$1,745.60; accrued taxes, payroll, - \$863.14; mortgage payable - real estate - \$8,052; notes payable - auto - \$1,353.60; or total liabilities of \$12,014.34. And he had a net worth of \$64,511.32. Is that right? A That's right.

Q That's what Falk told you over the phone.

A That's right.

Q And it didn't take you any time at all to tell Falk that, with that statement of net worth, you could not issue a bond to him in the amount of \$200,000. Isn't that right?

A That's right.

Q Do you have a formula? A We have a formula.

Q Generally speaking? A Generally speaking, there is a formula, but I would say every company has their own formula. The old generally accepted rule-of-thumb was

always 10 per cent. But if you go by 10 per cent, many times you're going right down the river. But there isn't any set formula other than that general rule of 10 per cent.

Q But this was clearly a case which you wouldn't entertain on its own, isn't it? A Well, I couldn't entertain.

Q You couldn't entertain this on its own. Not for that amount of contract and not for that amount of bond. Right? A That's right.

Q So, Falk related this fact to Rotundo? A Right.

Q And what's the next time you heard from Falk or Rotundo, or anybody else? A Well, that's when Falk called back and said that --

Q When did he call back? A I believe the same day.

Q All right. A And he discussed it with Rotundo and said, "How would it be if we could get the indemnity of the Iommetti's?" Well, We've been writing Iommetti in various capacities for quite a few years. We haven't been their sole bonding company. We used to be until we lost the casualty account --and those things do happen. So, with that, there was no question at all. I said, "Certainly, we would entertain it right away."

Q In other words, as soon as the Iommetti's were prepared to pledge their assets, personal, corporate and businesswise, partnershipwise, that plus Rotundo, you would then have no question about being willing to issue a bond and you so told Rotundo, or you so told Falk who told Rotundo -- A That's right.

Q -- and Iommetti?

A I imagine that's right too.

Q Now, did Rotundo submit a pre-qualifying bond with you, a pre-qualifying bid or estimate with you?

A Well, the only estimate, as I say, was the one I got from Pete, or Falk, where the thing would run under \$200,000.

Q Now, what I'm curious about is that your first statement from Anthony Rotundo showed a net worth of \$64,000. That was the balance sheet as of February 28th, 1959, which was a balance sheet about two weeks before the application was made.

A About that.

Q Now, how do you account for the fact that he had by his pre-qualification bid -- how do you account for the fact that he claimed \$86,390 as a net worth?

A I just saw this when you put it over before. This is the first time I have seen this one. This was the one I referred to.

Q All right. Well, how do you account for that one?

A Of course, there's a difference in date - December 31, 1959 - '58, I imagine he meant. There's an increase in equipment in the one here, about \$3,000 over this one. Here the equipment was about \$3,000 higher than on this later statement. The cash position on this one is a little better than on the February one.

Q Well, now, is it your practice to take -- for bonding purposes, is it your practice to take a pre-qualification or a qualification dating back as far as December, 1959?

A December, 1958.

Q Or December, 1958? December 31st of '58?

A Well, we don't --

Q This says '59. A Yeah, that's what it says. It probably was a mistake. But we don't get this. This is not ours.

Q Who gets this? A I imagine that goes to the city.

Q The city. A That's right.

Q So that then, as it relates to what he showed you he owned as a matter of net worth, as of February 28, 1959, was \$22,000 less than what he showed the City he owned as a matter of pre-qualifying to bid the job. Is that right?

A According to the statement.

Q According to the statement. Did you have any other conversations with Falk or the Iommetti's in connection with this? A No. As I say, as far as we were concerned, as a bonding company, having known the Iommetti's for many years and having a complete folder on them, with their indemnity we had no compunction whatever about writing a bond for Rotundo.

Q Well, now, who else did you put on this bond, beside Iommetti and beside Rotundo? A Besides Iommetti and Rotunda? Carmine DiFranco, who is a nephew of Rotundo.

Q Did he submit a personal statement? A Yes. I have that too.

Q May we have that? A Sure. All of these.

Q Give us all the pertinent statements of whoever was on this bond with you. A Here is the DiFranco's here.

Then we have the personal statements of the sister and brother-in-law of Mr. Rotundo. That's this one here. Of course, we also have the statements of the partnership, the corporation -

Q We want them all. A And we have the general indemnity agreement.

Q We want that. A Which these all support.

Q Will you please turn them to get them marked.

A Will they be returned to us?

Q Yes, that's why I want to get them marked so that you will know what you have given us and so that I may return them to you.

(Papers received in evidence and marked "Exhibits Nos. 5 to 18" inclusive.)

Q Now, did Rotundo ever inquire of you or, to your knowledge, did he ever inquire of Falk what the assets were of the various other people who went Rotundo's bond?

A Did Mr. Rotundo? No.

Q No, Iommetti. A Did Iommetti ask that?

Q Any of the Iommetti's. A No, he never asked me that. None of them did.

Q None of them. A No.

Q Did they ask Falk? do you know? A I don't believe so. Now, that I don't know.

Q You don't believe so. A I can't answer that.

Q I understand. But Falk isn't here today. It may be necessary to call him. The point that I want to get settled, as far as you can settle it, is this: There was no investigation, as far as the Iommetti's were concerned, of

these other co-obligors on the bond, was there? A That I wouldn't know, sir. I don't think so.

Q You don't think so; you don't know. A Right.

Q As far as you were concerned you had ample security.

A We had Iommetti. That's what we wanted, period. So far as the others were concerned, they were incidental to us. Always glad to get it.

Q Well, did you ask for them? You didn't ask for them.

A Well, at first, they brought in these other indemnitors --

Q Right. A And even at that, it wasn't enough.

Q Well, how much did the other indemnitors add?

A Well, very little in the way of liquid assets, which is what we look for.

Q Right. A So, even with that, I couldn't do it and, as I say, the Iommetti's were the only ones that I would accept as indemnitors on the bond.

Q So, except for the Iommetti's loaning their credit to the Rotundo's, no bonds would have issued to Rotundo at the time of his application or any time thereafter. Right?

A That's correct.

SENATOR JONES: Thank you, and that's all.

All right. You're excused Mr. Cooney. And thank you, Mr. Flaherty. Certainly, it would only be fair to say - and I think I can speak for the Committee - that, as it relates to your issuing this insurance on the basis of obtaining security for the issuance of a bond, I see nothing improper,

so far as I can see, at all.

All right. The next witness.

MR. GROSS: Vincent Ippolito.

V I N C E N T I P P O L I T O, called as a witness,
being duly sworn, testified as follows:

BY SENATOR JONES:

Q What is your name? A Vincent Ippolito.

Q Where do you live? A 10 Columbus Drive,
Tenafly.

Q How long have you lived in Tenafly? A Five
years.

Q Where have you lived before that? A Talman
Place, Englewood.

Q How long have you been in the garbage business?
A Since 1946.

Q How old are you? A 33.

Q Are you in the garbage business on your own or are
you associated with anybody? A I'm
associated with Ippolito & Company of 10 Columbus Drive,
Tenafly.

Q Is Ippolito & Company a corporation or a business
association? A Business association.

Q It's not incorporated under the laws of this State.
A No.

Q Who makes up the business association?
A Ernest Ippolito, Vincent Ippolito, Joseph Ippolito and
Leo Ippolito.

Q And what is the relationship of all those Ippolito's

to each other? A Leo Ippolito is a brother.

Q A brother of whom? A Of Vincent Ippolito.

Q Well, let's start with Ernest. He's the oldest, isn't he? A Ernest Ippolito is an uncle.

Q An uncle. Of whom? A Of Vincent Ippolito and Leo Ippolito. Joseph Ippolito is a son of Ernest Ippolito.

Q O. K. And have you all been associated in business for these past years? A No. One year.

Q One year. A As partners.

Q As partners.

SENATOR JONES: Take it over, Counsel.

BY MR. GROSS:

Q Mr. Ippolito, you firm bid the Hoboken job this year? A Yes.

Q Now, when was that first bid submitted? About when? A On January 7th.

Q January? A Yes, sir.

Q Mr. Ippolito, how much was your bid on that first bid to Hoboken? A For one year, it was \$174,000. For three years, it was \$462,000.

Q Was your firm the low bidder? A For three years, it was.

Q For three years. Now, was the contract awarded? A Yes, it was awarded.

Q Awarded to your firm? A Ippolito & Company.

Q What happened after that? A We were awarded the contract; we signed the contract; and we had

an injunction against the job by M. Iommetti & Sons.

Q In other words, there was litigation. A Yes.

Q And what happened as the result of the litigation?

A Well, they set the contract aside and they rebid it.

Q It was rebid. And when was the rebidding?

A February 14th, if I'm --

Q March 18th? A No. I know we signed the contract February 14th.

Q We are talking about the second bidding now.

A The second bid was March 18th. .

Q Right. Now, were you approached or were you contacted by any other contractor during the period from the first bidding to the second bidding? A Yes.

Q By what contractor? A By M. Iommetti & Sons.

Q When was that? A On March 17th.

Q On March 17th? A Yes.

Q And how were you approached? A By phone.

Q By telephone? A By telephone.

Q A call made to whom? A To me, Vincent Ippolito.

Q To you personally? Where were you when the call was made to you? A 10 Columbus Drive, Tenafly.

Q At your home? A Yes.

Q And who called? A Chet Iommetti.

Q Chet Iommetti? A Yes.

Q Did he describe himself as "Chet" when you picked up the -- A Chet Iommetti. I asked him who was it and he said, "Sanitation Equipment."

Q Sanitation Equipment. And what did he say?

A He wanted to talk to me. And I asked him, "What about?" and he said, "Well, where can we meet?" And he said for me to come down to his garage and I said to him to come down to my house. So he said, "We'll meet halfway." And we met in front of the Teaneck Diner on Teaneck Road in Teaneck.

Q Well, who suggested that location? A I don't recall.

Q But he told you that he wanted to meet with you.

A Yes.

Q Did you ask him why? A Yes.

BY SENATOR JONES:

Q Did you know Chester Iommetti before this? A Yes, I did.

Q You knew that "Chet" Iommetti was Chester Iommetti?

A Yes.

Q You knew his voice? A Yes.

Q You knew who was calling you? A Yes.

Q And you made an arrangement to meet at the Teaneck Diner. A Yes.

SENATOR JONES: Go ahead, Counsel.

BY MR. GROSS:

Q Now, when you asked him why he wanted to meet with you, did he answer? A Well, he said he just wanted to see me.

Q And did you go to the Teaneck Diner as a result of that conversation? A Yes.

Q All right. How soon after the phone conversation

did you go to the diner?
minutes.

A About 20

Q About 20 minutes. Now, did you walk into the diner?

A No.

Q What happened?

A I was walking to the diner and Chester Iommetti called me to his car.

Q Where was the car?

A The car was parked on Teaneck Road.

Q How near the diner?

A Oh, about a hundred or two hundred foot away.

Q And what did you do when he called you?

A I got in the car with him.

BY SENATOR JONES:

Q Was anybody else with you?

A Yes.

SENATOR JONES: Oh, that's all right. Go ahead.

BY MR. GROSS:

Q Did you have a conversation in the automobile?

A Yes, we did.

Q What was the conversation?

A Well, he wanted to talk to me about if I was going to bid Hoboken. And I said we were going to bid Hoboken. So he wanted to make a deal with me if we stayed out of Hoboken.

Q What did he say?

A He said that he wanted to give us East Paterson and New Milford if we stayed out of Hoboken. And I told him, "No." Then he said, "I'll go better than that. I'll give you Saddle Brook." And I said, "No."

Q Did you know that Saddle Brook was not his town?

A Yes, I did.

Q Did you say anything about that? A Yes.

Because we bid it in Saddle Brook and we went there the night when the bids were awarded and Frank Stamato was awarded the contract in Saddle Brook.

Q Did you ask Iommetti how he could produce that town?

A He said he could give it to us if he wanted to give it to us.

Q Was any other request made to you? A No.

Then I told him I couldn't let him know - give him an answer on that. And I said I would have to go home and talk it over with my uncle and my cousin Joseph.

Q Did he say anything about when you were to get East Paterson and New Milford? A Not at that time.

Q Not at that time? A No.

Q Was there anything else that he said at that time?

A No.

Q About how long were you in the car? A About 20 minutes to a half hour.

Q Did he discuss any other town at that time? or go into any other subject? A No.

Q Was there any discussion about labor? anything of that sort? A No.

Q About the Municipal Contractors Association?

A Not at that time.

Q In other words, the whole conversation was restricted to his offering you New Milford, East Paterson and Saddle Brook

in exchange for your not bidding on the Hoboken job?

A Yes.

Q So then, you said, as a result, that you would call him --

A I would call and let him know.

Q All right. And what did you do? A Well, I went home - I went to my uncle's house at 205 Shepard Avenue in Teaneck.

Q Your uncle is Ernest Ippolito? A Ernest Ippolito. And I explained to him.

Q Who else was present? Any other members of your family? A Yes, my Aunt Anna Ippolito and Joseph Ippolito.

Q That's your cousin? A A cousin.

Q Who is sitting in the back row? A Yes.

Q What did you say? did you report the conversation to them? A I reported the conversation and we called Iommetti up from 205 Shepard Avenue, - Joseph and I.

Q About what time was that? A That was about 7 o'clock, 7:30, somewhere around there.

Q And this was the evening before the bid?

A Before the bid, March 17th.

Q Right. And what did you say over the phone?

A I called Iommetti up and told him that we would like to come down and --

Q Which Iommetti did you speak to? A I spoke to Chet Iommetti.

Q Chet Iommetti? A Yes, that we would like to come down to his office and talk to him. Then Joseph

Ippolito got on the phone and Joseph told him that we would like to stop at his office and speak to him. And he said, "All right. Come on down."

Q Was anything else said over the phone at that time?
by anyone? A No. We just asked what guarantee -- over the phone we asked what guarantee would he give us if we took those two jobs he mentioned in the car. And he said, his word, he'd give us his word.

Q What guarantee? for what? that you would get the jobs?
A We asked him what guarantee would we get for East Paterson and New Milford.

Q The next morning. A The next morning, So he decided for us to go down to his office and talk to him. So Joseph Ippolito got on the phone and spoke to him too.

Q Did he mention anything about deals or rigs at that time?
A Not at that time, no.

Q And as a result of that conversation did you in fact go to his garage?
A Yes.

Q About what time was that? A About 8 or 8:30.

Q Who went? A Joseph Ippolito and myself, Vincent Ippolito.

BY SENATOR JONES:

Q Which is Joseph Ippolito? A There's two Joseph Ippolito's here, Joseph Ippolito and Joseph Ippolito.

SENATOR JONES: All right. Go ahead.

BY MR. GROSS:

Q When you got to the garage - the garage on Route 17?
A Route 17, Paramus.

Q Who was present? A Chet Iometti, Pompeo Iommetti and Tony Iommetti.

Q Was Tony Iommetti present through the entire conversation? A Yes, he was.

Q Was Pete, that is, Pompeo Iommetti, present through the whole conversation? A Yes.

Q And was Chester Iommetti present through the whole conversation? A Yes.

Q And, of course, you and Joseph were there. Now, what was said? A Well, he said to me the same thing he said in the car, that he'd give us East Paterson and New Milford and Saddle Brook. We asked him what guarantee would we have if he gave us those three towns?

Q What guarantee would you have that you would actually get those towns? A Get those three towns.

Q If you did not bid on Hoboken. A If we did not bid in Hoboken.

Q I see. A He said, his word, he would give us his word and he wouldn't make up - sign no papers or nothing like that, that we could start the job the next morning providing we stayed out of Hoboken.

Q How did he say that he would guarantee Saddle Brook? A He said that Stamato would give it up.

Q Stamato would give it up? A Yes.

Q Did he say Stamato was part of this deal? A He said Stamato would give it up; Stamato was part of this deal.

Q Did he say anything else with respect to guarantees? A No.

BY SENATOR JONES:

Q When you say "Stamato," you mean Frank Stamato?

A Frank Stamato, on Route 46.

Q You mean Frank Stamato & Son on 46 --

A On Route 46 in Lodi.

Q Route 46 in Lodi. A Right.

BY MR. GROSS:

Q Did you people go there at all to make an offer to sell your trucks? A No, we didn't.

Q Did you at any time mention that you wanted to sell your trucks or make it apparent to Chester Iommetti or any of the others that you wanted to sell your trucks?

A No, we didn't.

Q Did you indicate that you were going to bid on the Hoboken job? A Yes.

Q Did you indicate how much you were going to bid?

A No, we didn't.

Q Did they indicate what price should be bid on the job? A Yes, they did.

Q What did they say about that? A They said the job should go at least \$220,000 a year.

Q Did they say anything about fixes for that amount or deals for that amount? A No. They offered us to do the job for \$154,000 a year - if they'd get the job, we'd do it for that price, for \$154,000 a year; and they'd bid any price they wanted; for us to stay out of it.

Q And they would bid any price, and mentioned specifically \$220,000. A \$220,000.

Q Did they say that anyone else was going to bid on that job? A They said that no one was going to bid the job.

Q They said no one else was going to bid the job. A No.

Q Did they say anything about Stamato bidding the job? A Yes.

Q What did they say about that? A They said Stamato was not going to bid the job, that they had it arranged with Stamato.

Q Did they say anything about Stamato's activities on the first bidding in Hoboken? A No, they didn't.

Q Did they say anything about that Stamato was supposed to have given you Saddle Brook? or made that offer to you on the first bidding? A No. The second bidding they did.

Q What did he say? A Well, it was Pompeo Iommetti and Chester Iommetti said that they would give us Saddle Brook if we stayed out of Hoboken. And we asked them, how could he give us Saddle Brook. He said that if he wanted to give us Saddle Brook, we were sure to get Saddle Brook from Stamato.

Q Was anything said about dumps or dump permits? A Yes.

Q What was said about that? A They said that if we were awarded the contract in Hoboken - that if they were awarded -- no, if we were awarded the contract in Hoboken for \$154,000 that they would give us a dump permit for \$200 a month instead of \$500 a month.

Q Did they mention anything about what the expenses of running a dump were, or why they gave dumps to any particular people?

A No, they didn't.

Q Did they say they always gave a dump permit to any contractor who asked?

A Yes, they did say that. Unless they were bidding the job themselves, they wouldn't give out a permit.

Q They said they would not give a permit to anyone when they were bidding a job?

A That's right.

Q Did they mention anything about bidding in Roselle, and, particularly, bidding against Acme Disposal and Frank Delafonte?

A Well, they did. They did say something about that but I don't remember just what they said.

Q You don't remember what that was?

A No.

Q Did they mention anything about the inspectors in Hoboken?

A Yes.

Q What did they mention about that?

A They said there were five inspectors in Hoboken.

BY SENATOR JONES:

Q And what about the inspectors in Hoboken. What did they say about them?

A They didn't say nothing about -- They just said there were five inspectors.

BY MR. GROSS:

Q Did they say it would cost the contractors any amount of money because of that?

A Well, they said it was costing them a lot of money to run the job in Hoboken.

Q Did they say that it cost any contractor \$100,000

because of the inspectors?
said Frank Stamato.

A Yes, they did. They

Q It cost Frank Stamato that?
because of the inspectors.

A \$100,000

Q Did they say anything about a shanty to be built in
Hoboken?

A No. They said they own a garage in Hoboken.

Q Did they say anything about the cost of a shanty
having gone up by \$20,000?

A Yes, they did say --

Q What was that? Do you remember?
their garage - it would cost them \$20,000 to fix their garage
in Hoboken.

A I think

Q Did they say anything about what the actual cost
estimate to them was on the Hoboken job?
said it cost \$169,000.

A Yes, they

Q That's what the actual cost to them would be?
A That's the cost to them to do the job.

BY SENATOR JONES:

Q They told you that that's what it would cost them to
do the job that they were going to bid on, that you were
going to bid on?

A Yes.

Q They said that that would be the cost to them.
A To them.

BY MR. GROSS:

Q Did they say how much you would lose if you didn't
take the deal?
\$30,000 if we didn't take the deal that they offered us.

A Yes. They said we would lose

Q Now, did you calculate how that \$30,000 worked out
or was it explained to you?

A I couldn't see

how we would lose \$30,000.

Q Did they say anything about Lippman finishing the job in Hoboken? A Lippman?

Q Fereday & Meyer? A No.

BY SENATOR JONES:

Q What did they say about Lippman? A Huh?

SENATOR JONES: I'll withdraw that.

BY MR. GROSS:

Q Did they say anything about Association activities?

A Yes.

Q What did they say about that?

SENATOR JONES: Now, when we talk about

"Association," - this is important - we're talking about the Municipal Garbage Contractors Association.

Answer the question.

A Well, they said they belonged to the Association for the last three and a half years.

Q Did they say they had to give up any job as a result of joining? A Yes, they had to give up two jobs.

Q Which jobs? A Weehawken was one. And the other one I don't recall. I know it was two jobs.

Q Was it Wallington? A What's that?

Q Was it Wallington? A I don't recall if it was or not.

Q Did they say why they had to give up those two jobs? A Yes.

Q Why? A They said they had to give up

those two jobs on account of the organization.

Q Was that part of the trade? A I guess it was.

Q Did they refer to those jobs as being good jobs or "creams"? A Yes, they were good jobs.

Q Did they refer to those jobs as "creams"?
A Yes.

Q Was there any discussion about Hawthorne?
A Yes.

Q What was that discussion?

BY SENATOR JONES:

Q Well, did they say that the Association made them give up bidding those two jobs? A Yes, they did.

Q That is, the Contractors Association. Right?
A Yes.

Q Did they specify who, of the Association, told them they couldn't bid? A No, they didn't.

Q But they told you that the Association told them that they couldn't bid in those two towns even though they were prepared to bid? A That's right.

BY MR. GROSS:

Q Did they say that the Association permitted them to keep only the "junk"? A Well, no. They said the Association will get more money for them - that's the jobs they already have; they can push up the price as they go along, when the time comes.

Q And this was the Association policy. A Yes.

Q And it was the Association policy to assign particular jobs to given contractors in order to build up the

price? A Yes, certain jobs.

Q That's the way it was explained to you? A Yes.

Q By which Iommetti? Were both Iommetti's --

A Three Iommetti's.

Q Three Iommetti's. They were all doing the talking?

A Well, two Iommetti's were doing most of the talking.

It was Chester and Peter.

Q And Anthony Iommetti, did he do any talking?

A Very little. But he was there.

Q I see. Now, what was mentioned about the Hawthorne job?

A The Hawthorne job was mentioned - that Ernest Ippolito & Son was going to bid that job and they did bid the job and someone else came in with a bid lower than Ippolito & Son and took the bid. And that was brought out that night too.

Q Did he say anything about what he ordinarily would charge to dump on a Hawthorne job?

A Yes, he did say.

Q What was that? A I don't remember that.

Q Did he say anything about his price for dumping varying, depending on how much the job was fixed for?

A Yes, he did.

Q What did he say? A Well, he said, according to the job the price would be so much on each job; the bigger the job, the more money he'd get for dumping.

Q Did he say anything about East Paterson? A Yes.

Q What did he say about East Paterson? A He said that - well, we bid for East Paterson and Ippolito & Company, - I think it was around November - the month, I'm not sure - and

there was Iommetti, M. Iommetti & Son bid it and Ippolito & Company bid it, and we put in a bid for - I think it was one year and three years. We were low on the third year and Iommetti was awarded the contract for one year on East Paterson.

Q Did he say anything about whether there had been an arrangement on that job, or a deal? A Yes, he did.

Q What did he say? A He said that - I don't know whether it was Chester Iommetti or Peter Iommetti that was related with the Mayor in East Paterson and we could never - no one could never take that job away from them.

Q Did he say he had that job fixed for \$67,000? A Yes, he did.

Q Did he refer at all to the Attorney General's report? A No.

Q Did he say, with reference to the Hoboken job --
SENATOR JONES: Refresh his recollection.

Q With reference to the Attorney General's report, did he say that he made use of it at all, in bidding?

A Was that a job or --

Q Do you remember that he showed you, if he did, the report of the Attorney General with statistics compiled?

A Oh, yes. I remember now. A book of all the towns?

Q Well, what did he say about that? A Well, he had a record there of all the towns in Bergen County, Hudson County, New Jersey, who had the town, how much they were getting, and the year that it comes up on bid, the year it expired.

Q Per capita cost? A Yes.

Q He had all the statistics on all the towns --

A On all the towns.

Q -- in the Attorney General's report. A Yes.

Q Did he say that he used this report? A Yes.

Q How did he use it? A Well, when a town came up on bid he would just look and see what town it was - in fact, he even pointed out the town of Maywood and he knew how much we were getting for the town of Maywood. He showed us right in the book that Maywood was \$60,000 a year; and he pointed to each town, like Fair Lawn, Dumont, and --

Q Did he say that he could build up the cost in any town by showing them that per capita cost was lower?

A Yes.

Q -- in some towns than others? A Yes.

SENATOR JONES: Now, let's go back to the Attorney General's report. Are you all finished?

MR. GROSS: No.

SENATOR JONES: Oh, keep going.

Q Did he say that he had copies of that report printed up? A Yes.

BY SENATOR JONES:

Q Well, now, "he" or the Association? A The Association.

Q In other words, the Municipal Contractors Association took the Attorney General's report. A Yes.

Q What did he say they did with the report after they had it printed up? A Well, each member of the organization got a copy of it.

Q And why was it sent to each member of the organization?

A I guess they must belong to the organization.

Q No. I understand it was sent to them for that reason but they had it printed up and paid for, he said. Is that right?

A Yes.

Q And what was the reason for sending the complete report of the Attorney General to each member of the Association? Did he say?

A So that they knew what each town was worth and what they were getting, and they knew who has the job and who they can talk to; anything like that.

Q So that, in effect, he was telling you that the Attorney General's report was being used helpfully to the members of the Association.

A Yes.

SENATOR JONES: I can assure you, the Attorney General didn't mean it that way, as some of you probably will find out.

Go ahead, Counsel.

BY MR. GROSS:

Q Did he say or did either Chester or Pompeo say that Hoboken had to pay \$200,000 more for a three-year contract than what you had bid?

A Yes, he did say that.

Q He said that that's what he wanted to --

A He said that's what he wanted to get and that's what he was going to get if we didn't bid the job.

Q Did he say at all that he wanted Hoboken to pay "through the nose" or to pay a legitimate price, or that he wanted to give them the best deal possible?

A Yes.

Q What did he say about that?

A He said that if we wouldn't bid Hoboken, he would get two hundred to

two hundred and twenty thousand dollars a year.

Q Well, did he say that would be a fair price?

A He said it would be a good price.

Q A good price for him. A To him.

Q Did he say there was a war in the Association or some sort of a war going on? A No, not that I recall.

Q In other words, there were arrangements and fixes still being made with the contractors? A I guess there was. I don't recall that.

Q Did he tell you anything about when your decision should be made? A Yes.

Q What did he say? A He wanted the decision made before 8 o'clock, March 18th.

BY SENATOR JONES:

Q Eight o'clock in the morning? A A. M.

BY MR. GROSS:

Q Did he tell you that you'd be throwing money away if you didn't take this decision? A Yes, he did.

Q Did he say that he was determined he was going to make Hoboken pay? A Yes, he did.

Q Of course, he tried to get you to say yes to this deal. A Yes.

Q Did he refer to it as a deal or did he refer to it as a good business arrangement? A As a deal.

Q Did he say that he wanted to let Hoboken pay through the nose? A Yes, he did.

Q Did he say that he would have gotten \$67,000 in East Paterson? A Yes, he did.

Q Did he say anything about Roselle talking to you about the Hoboken job? A Not about the Hoboken job, no.

Q About what job? A About the East Paterson job.

Q What did he say about that? A Well, when we put the bid in for East Paterson, - the day before or that same evening, I don't recall, I think it was the same evening the bid went in - Roselle came down to the house on 205 Shepard Avenue and wanted us to not put the bid in East Paterson; and he said Iommetti sent them down there and offered us \$500 if we wouldn't put the bid in to East Paterson.

Q What did you say to that? A We said, "No."

Q In other words, Iommetti sent Roselle down to offer you \$500 not to bid East Paterson? A Yes.

Q Now, did he mention Roselle --

BY SENATOR JONES:

Q Which Roselle? Cush? A Cush Roselle.

Q Cush? A Yes.

BY MR. GROSS:

Q That's the one connected with Peter Roselle & Sons?

A I guess so.

Q Did he mention anything about - in this conversation of March 17th -- about Roselle saying that you should get a job? A No, he didn't.

Q Did he mention anything about Roselle telling Iommetti that he ought to give you fellows a job? A No, he didn't.

SENATOR JONES: We will adjourn the hearing --

MR. ROBERT McALEVY, JR: Senator Jones, speaking for the City of Hoboken, just before we adjourn, could we have the record straightened out as to the date Frank Stamato was the contractor in Hoboken?

SENATOR JONES: Sure.

MR. McALEVY: I'm here to state now that it was nine years ago when a contract was entered into with Frank Stamato. The present administration, under Mayor Frank Grogan, took office in 1953, which is six years ago, and has had no dealings whatsoever with Frank Stamato. I make that observation because there has been some vague reference to the sum of \$100,000 to five inspectors.

SENATOR JONES: Right. If you want that made a part of the record at this time, I'm glad to let you make it a part of the record at this time. It may be unorthodox but you are entitled to say it at this time.

Now, will you give your name for the record?

MR. McALEVY: Robert J. McAlevy, Jr., City Attorney, City of Hoboken.

SENATOR JONES: O. K. This hearing will be adjourned until a further date which will be announced. All witnesses under subpoena will continue under subpoena, and all witnesses will return on the date that they will be advised to return by Counsel or Clerk to the Committee.

The meeting is adjourned at this time.

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